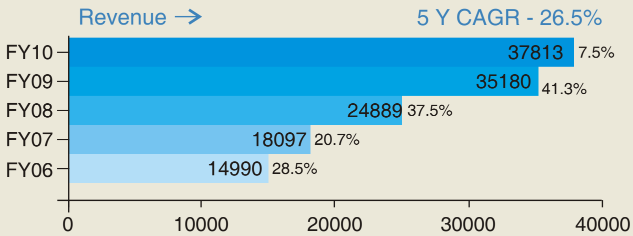
Partner of Choice to Life Sciences Companies

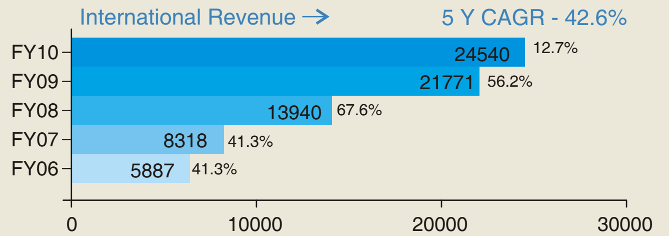
ANNUAL REPORT 2009-10

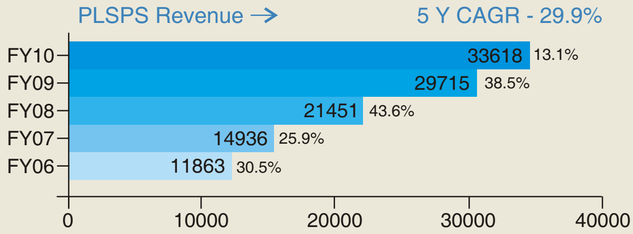
Contents

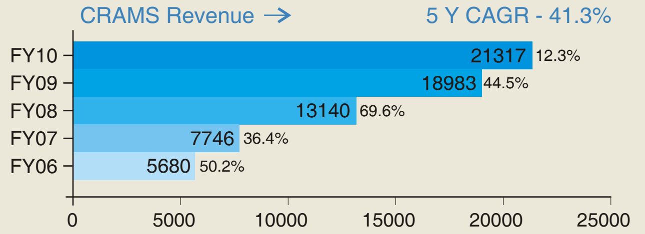
Financials At A Glance - FY 2010

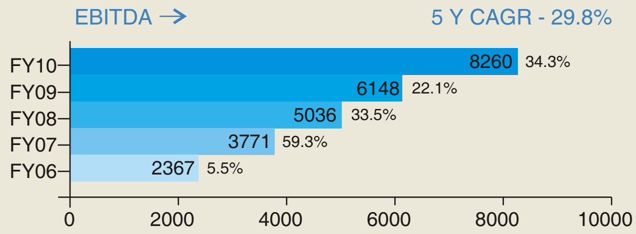
in ₹ million

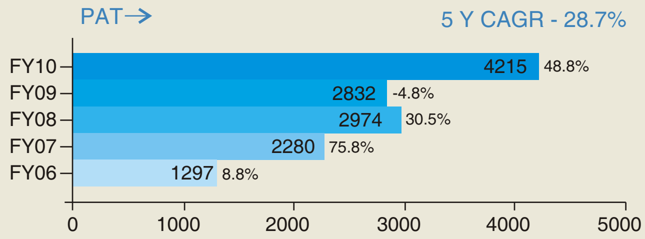


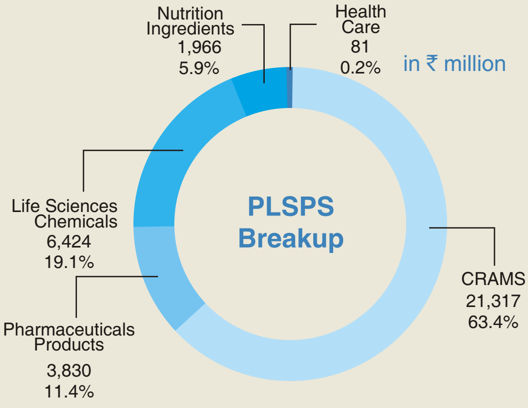


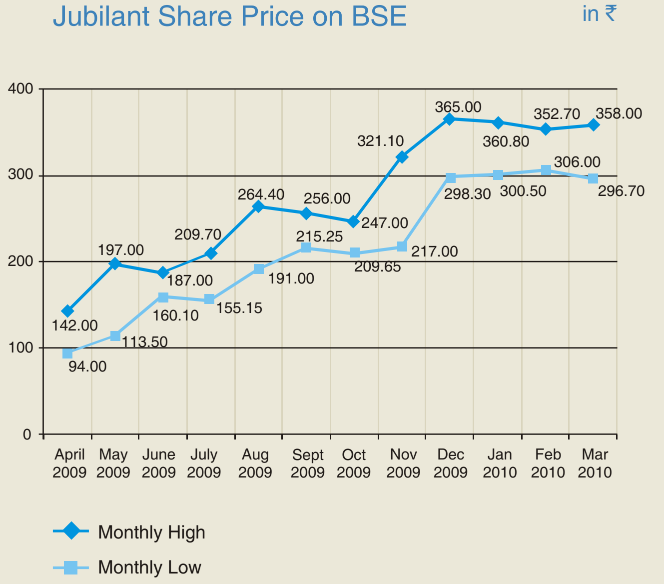












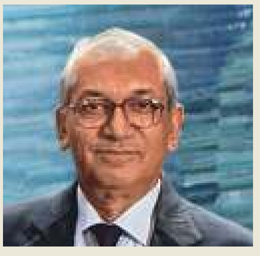
PLSPS: Pharmaceuticals and Life Sciences Products and Services
CRAMS : Custom Research & Manufacturing Services
BSE : Bombay Stock Exchange
Note: w.e.f. July 2010 India has adopted ₹ as the symbol for its currency Rupee (Rs./ Re)

Board of Directors

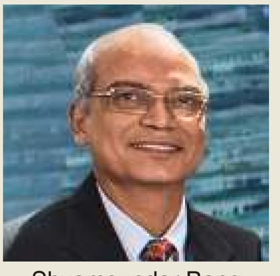
Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

Executive Directors



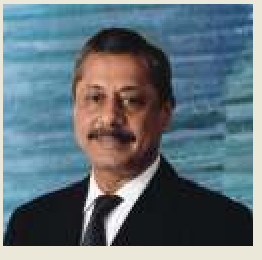
Dr. J M Khanna
Executive Director
Science & Technology



Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain

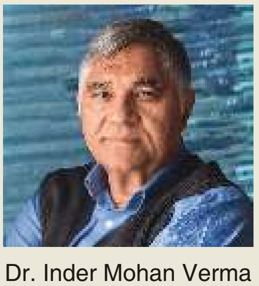
Directors

Arabinda Ray
Director

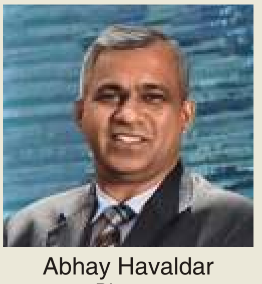


Dr. Naresh Trehan
Director

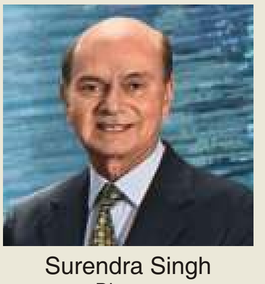
H K Khan
Director



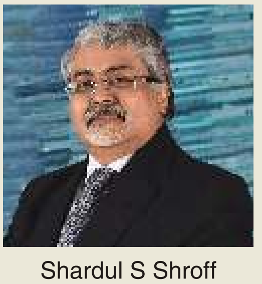
Dr. Inder Mohan Verma
Director



Abhay Havaldar
Director



Surendra Singh
Director



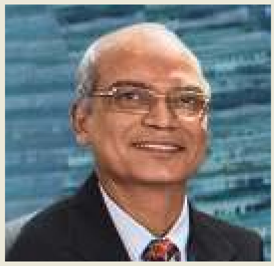
Shardul S Shroff
Director

Senior Leadership Team

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

Dr. J M Khanna
Executive Director
Science & Technology



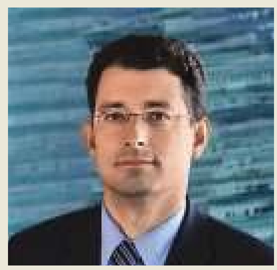
Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain

R Sankaraiah
Executive Director
Finance

Pramod Yadav
CEO – Advance Intermediates and Nutritional Products

Rajesh Srivastava
CEO – Fine Chemicals and CRAMS

Neeraj Agrawal
President – APIs and Dosage Forms

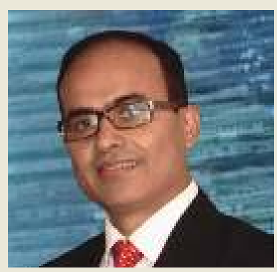


Marcelo Morales
CEO – CMO of Sterile and Non-sterile Products

Sri Mosur
CEO – Global Drug Discovery and Development

William Abbott
President – Draximage

Scott Delaney
CEO – Cadista Pharma



Chandan Singh
President – Acetyls and Ethanol

Dr. Satadal Saha
CEO – Jubilant First Trust Healthcare

Ananda Mukherji
CEO – Polymers and Agri Business

Dr. Ashutosh Agarwal
Chief Scientific Officer – Chemicals and Life Science Ingredients

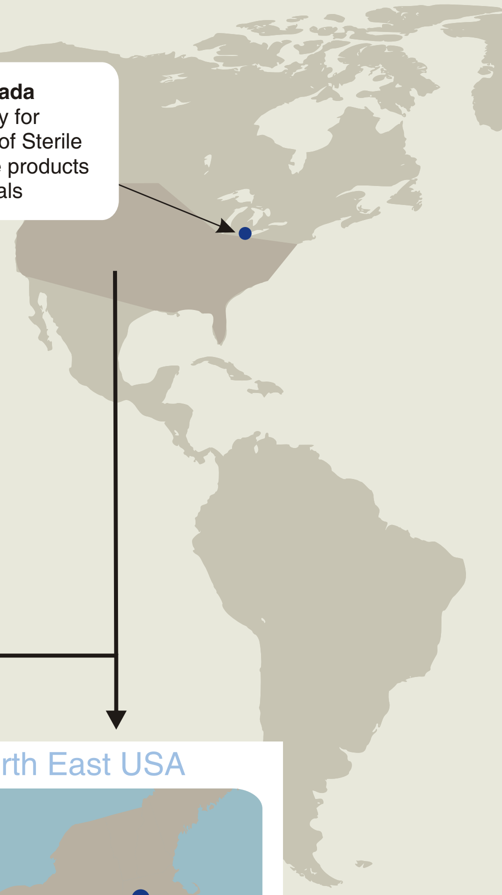
Sanjay Singh
Head – Human Resources – Global

Awards & Recognition

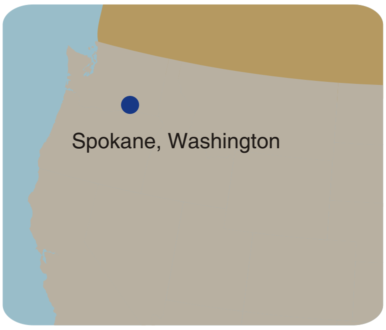
- NDTV Profit Business Leader of the Year 2009 as the **Best Pharmaceutical Company**
- PHD Chamber Annual Excellence Award 2009 for **Good Corporate Citizen**
- Acharya PC Ray Award 2009 for **Development of Indigenous Technology** for 4DMAP
- **Industry Excellence Award** 2009 from Institution of Engineers India, Kolkata
- Frost and Sullivan – India Excellence in Healthcare Award as the **Best Contract Research Manufacturing Organisation** of the Year 2009
- ET – IMEA 2009 **Platinum Award** by Frost & Sullivan, in the Pharmaceutical category for the API facility at Nanjangud
- **Corporate Excellence Award 2009** as the Best Pharma Company from the Amity University
- **Business Excellence Award 2009** to our Samlaya plant by Baroda Management Association
- **Bio-Services Company of the Year 2009** for Jubilant Biosys awarded by BioSpectrum Magazine
- BioSpectrum **Person of the Year 2009** Award conferred upon **Hari S Bhartia,** Co-Chairman & Managing Director, Jubilant Organosys Ltd.
- **Best Performing CFO 2009** of the year for the Pharma Sector to **R Sankaraiah** by CNBC-TV18
- **Best CFO for the year 2009** (FMCG, Health and Retail Sector) to **R Sankaraiah** by Institute of Chartered Accountants of India

Global Presence

Kirkland, Quebec, Canada
US FDA approved facility for Contract Manufacturing of Sterile Injectables & Non-sterile products and Radiopharmaceuticals



North West USA



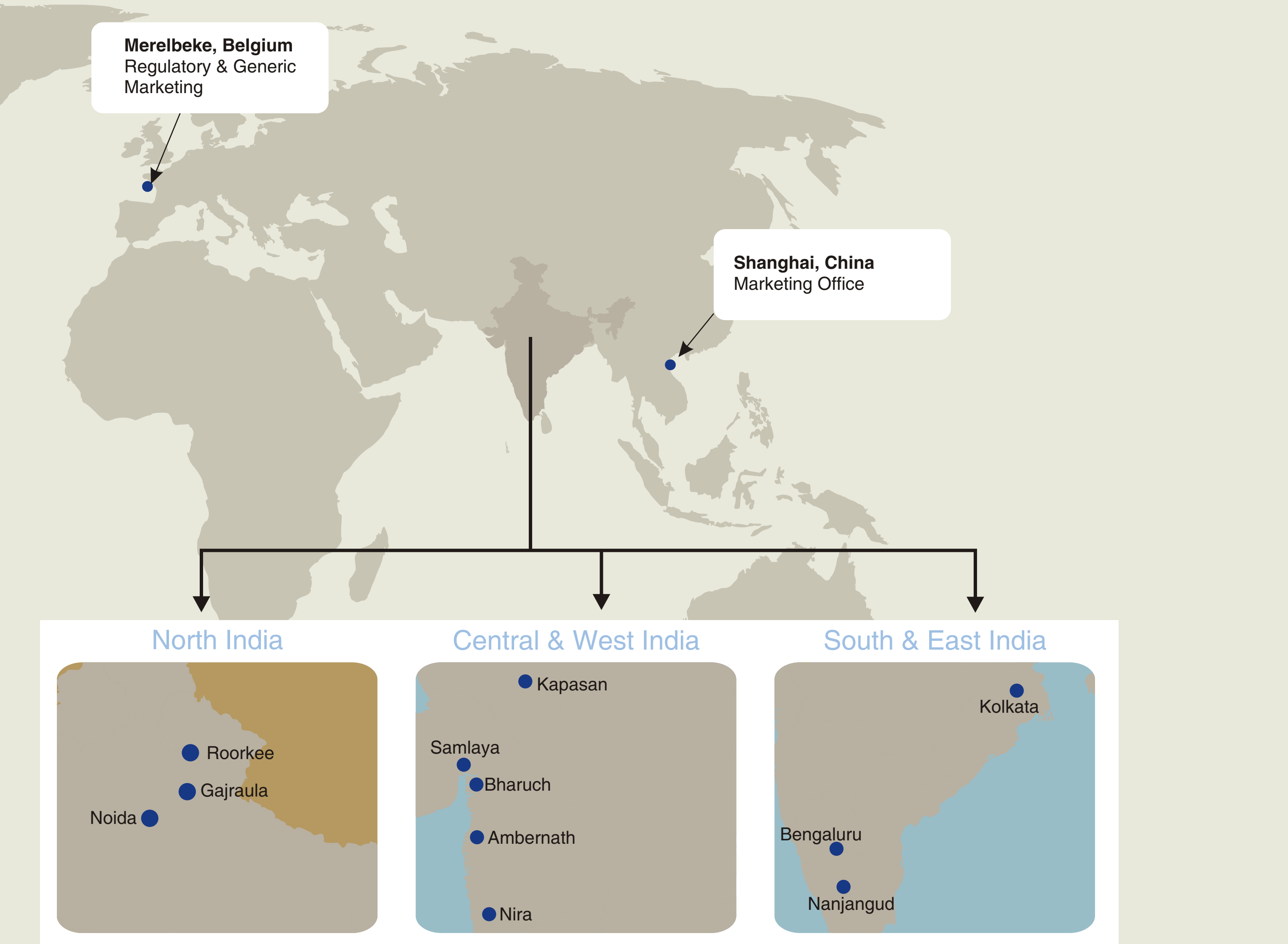
Spokane, Washington, USA
US FDA approved facility for Contract Manufacturing of Sterile Injectables & Non-sterile products and Allergenic Extracts

North East USA

Salisbury, Maryland, USA
US FDA approved facility for generic dosage forms

Bedminster, New Jersey, USA
Clinical Research Centre
Marketing Office

- **International sales** in more than **65 countries**
- Present in **India, North America, Europe** and **China**
- **8** manufacturing facilities in **India** and **3** in **North America**
- **Drug Discovery Centre** in India and **Multiple R&D Centres** in India & Overseas
- Employs **~ 6000** people including **~1100** in **R&D** and **~1500** in **North America**



Noida, Uttar Pradesh
Corporate Office & R&D Centres

Gajraula, Uttar Pradesh
Largest integrated pyridine & its derivatives facility in the world

Roorkee, Uttarakhand
UK MHRA approved facility for generics

Kapasan, Rajasthan
Agri - Products : Single Super Phosphate

Samlaya, Gujarat
Animal Nutrition Products

Bharuch, Gujarat
SEZ for Vitamins and Life Sciences derivatives

Ambernath, Maharashtra
Exclusive Synthesis Pyridine derivatives

Nira, Maharashtra
Life Sciences Chemicals

Bengaluru, Karnataka
State-of-the-art Discovery Centre

Nanjangud, Karnataka
US FDA, AFSSAPS & PDMA approved API manufacturing facility

Kolkata, West Bengal
Healthcare Services

Leadership Position

Globally No.1 in Carbamazepine, Oxcarbazepine, Lamotrigine and No. 2 in Citalopram & Risperidone in generic APIs

Globally No.1 in Pyridine & 11 advance intermediates

Leader in I-131 radiopharma product in USA

Leading player in North America in CMO for Sterile injectables

Globally among top 3
Allergy therapy companies

Globally among top 3 in several Generic dosage forms

Leading player from India
in Drug Discovery & Development Services

Among top 3 in India for Single Super Phosphate fertilizer

No.1 in India and **Globally No.3** for food polymers

No.1 in India and **Globally No.4** in Vinyl Pyridine Latex

"Jivanjor" is the **2nd largest brand in India** in Consumer adhesives & wood polish category

Shyam S Bhartia
Chairman and Managing Director

Hari S Bhartia
Co-Chairman and Managing Director

Chairmen's Message

All parts of our business turned out excellent performance and we closed the year with revenue of

₹ 37,813 million

Dear Shareholders,

We are happy to report strong growth in revenue and excellent growth in profit driven by Pharma and Life Sciences business during FY 2010. All parts of our business turned out good performance and we closed the year with revenue of ₹ 37,813 million, showing growth of 7.5% and an EBITDA of ₹ 8,260 million, reflecting growth of 34.3%. Net Profit increased strongly by 48.8% to ₹ 4,215 million. The Basic EPS for FY 2010 stood at ₹ 28.56 compared to ₹ 19.22 in the previous year.

Our core business of Pharma and Life Sciences (PLSPS) grew by 13.1% with revenue of ₹ 33,618 million on the back of robust performance by various business segments under Custom Research & Manufacturing Services (CRAMS) business. The Company's improved performance in USA, Europe and China contributed to growth in international revenue by 12.7% which stood at ₹ 24,540 million, thus constituting 64.9% of the total revenue. Over 70% of the pharma and life sciences revenue came from foreign markets.

The Company's success so far is due to its strategic focus on the pharma and life sciences industry, moving up the value chain for products, services across geographies, constantly investing in various growth platforms and promoting a culture of innovation.

Global Trends & India

The global market for outsourcing in pharmaceuticals Industry is growing at a CAGR of over 15% and is estimated at USD 67 billion presently. World over there is a pressure on the governments to reduce healthcare costs and patent expiry of many innovative products is also putting stress on the profitability of many pharma companies. The global pharma industry is therefore compelled to reduce manufacturing costs to protect margins and develop innovative products faster and at a lower cost. This has led to changing mindsets towards R&D and manufacturing outsourcing, which augurs well for the Indian CRAMS players.

Indian companies like Jubilant are well equipped to capitalise on the global outsourcing opportunity. These companies have strengthened their presence in the market by acquiring better technologies and developing expertise in niche segments that offer higher margins and have higher entry barriers. India as a preferred outsourcing destination offers tremendous advantage to the global pharma and biotech companies in terms of world-class US FDA compliant infrastructure, large talent pool, low R&D & manufacturing costs and high capital efficiency.

Partner of Choice

Jubilant Organosys is strongly positioned to benefit from the growing outsourcing opportunities by leveraging upon the strengths of its pharmaceuticals and life sciences business which is a strategic growth platform for the Company.

We are determined to strengthen our presence across the pharmaceuticals value chain, capitalise on our multi-location CMO business model and serve our customers by providing customised products and solutions to meet their growing needs. Jubilant Organosys, India's largest CRAMS Company with an order book of nearly USD 1 billion is poised to capture a bigger share of the market.

Our key competitive advantages of having a presence across the pharma value chain, strong culture of innovation, focus on providing cost effective high quality products and services has enabled us to build value for our customers which has strengthened our relationships with all our customers. Today we are recognised as a Partner of Choice by all leading pharma and biotech companies.

As a Partner of Choice, we offer the following to our customers:

- Contract manufacturing services at substantially lower cost than the customers internal cost with high quality and on time deliveries
- High quality and low cost drug discovery and development services for expanding pipeline of innovative products
- Products from pre-clinical to clinical, intermediate to finished stage in shorter time frames with high quality & lower cost.

Today we are recognised as a 'Partner of Choice' by leading global pharma and biotech companies.

- Complete life cycle management from pre to post patent expiry of innovative products

We are focused on continually improving our cost competitiveness and quality of production through investment in R&D, and implementation of Lean Management methodology and Six Sigma business strategies in manufacturing, design and project management.

Multi-location CMO Model

The key differentiator for Jubilant as the global CRAMS player is its multi-location advantage that enables the Company to meet customer needs of the CMO & CRO businesses through:

- Manufacturing facilities for solid dosage forms in USA & India
- Presence in North America for manufacturing of sterile injectables to meet innovator pharma companies requirements
- Presence in North America for Radiopharmaceutical products provides proximity to key customers and markets
- Clinical research capabilities with presence in USA, Europe and India that enables project management on global basis

We are confident that Jubilant is well placed to capitalise on the outsourcing opportunity and will leverage upon its competitive advantages to report healthy performance driven by strong growth across its business segments.

Demerger & Amalgamation

In line with the continued strategy of enhancing our focus as a Pharmaceuticals and Life Sciences company, the demerger of our Agri and Performance Polymer division into a separate company was approved in principle by our Board of Directors on January 21, 2010. The demerged entity will be referred to as Jubilant Industries Ltd. (Jubilant Industries) where as the name of Jubilant Organosys will be changed to Jubilant Life Sciences Ltd.

This demerger will impact Jubilant Organosys positively as it will allow the Company to sharpen its focus as a pharma and life sciences entity. As two independent listed companies, each will be able to realise its operating objectives, scale up its operations and pursue future growth opportunities more efficiently. Each company will be able to adopt a capital structure and investment policy tailored to its specific needs in order to enable greater stakeholder value creation.

Subsequently, the Board approved the scheme of amalgamation and demerger in July 2010. This is to enable focused growth and value realisation across operating entities. The amalgamation is in the nature of merger of Speciality Molecules Limited (SML), a wholly owned subsidiary of Jubilant Organosys Ltd. and Pace Marketing Specialities Limited (PMSL), an exclusive contract manufacturer for adhesives of Consumer Products (a division of Jubilant Organosys Ltd.), with Jubilant Organosys

Strong Balance Sheet

To raise capital, we recently conducted a Qualified Institutional Placement (QIP) issue where we issued fresh equity of ₹ 3,871 million at ₹ 344.5 per share. Our debt reduction efforts combined with the funds infused through the recent QIP have strengthened our capital structure. We have built up a strong order book position in CRAMS and have the ability to ramp-up production very well. Given our efforts towards reduction of debt and the recent QIP, our Balance Sheet stands strengthened.

Our Net Debt stands at ₹ 23,928 million as at March 31, 2010 as compared to ₹ 32,584 million last year. Our Net Debt to Equity ratio stands improved to 1.1 from 2.1 last year and our Net Debt to EBITDA at 2.9 times from 5.3 times last year. The funds from the QIP have been used to retire the Rupee Debt. This will get translated into an increase at the EPS level.

Dividend

For FY 2010, we have announced a dividend of 200% compared to last year's dividend of 150%. This year's dividend will result in a payout of ₹ 370 million including dividend tax.

Outlook for FY 2011

Going forward we see 'buoyancy of growth' in all our key businesses. This will be driven by:

- Our order book position of ~ USD 1 billion in the CRAMS business
- Increase in operating margins in DDDS business
- Increase in capacity utilisation in CMO business
- Capacity expansion in Pyridines & its derivatives
- Launch of new Pharmaceutical products in API, Speciality Pharmaceuticals and Generics
- Commissioning of additional capacity in Niacinamide in the Nutritional Ingredients business

We stay committed to deliver value to all our stakeholders and take this opportunity to thank our independent directors, our valued customers, partners, bankers and shareholders for reposing their confidence in the company and providing their unstinted support.

Going forward we see 'buoyancy of growth' in all our key businesses.

Best Wishes & Regards,

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

Management Discussion & Analysis

Industry Scenario

Outsourcing Opportunity

Global spending by the pharmaceuticals industry on outsourcing (including CMO and CRO) which was valued at USD 51 billion in 2008 is estimated to reach USD 67 billion in 2010.

The global CMO market is growing steadily at a CAGR of 13% and is estimated at USD 42 billion in 2010. India has captured a significant share of this market opportunity with Indian CMO industry expected to garner USD 2.3 billion in 2010, registering growth of over 40%.

Similarly the Global CRO market which is growing at a CAGR of 19%, and is likely to attain a size of USD 25 billion in 2010. India is gaining recognition for its work in this area and it is expected that Indian CRO industry will achieve revenue of USD 1.5 billion in 2010. *(source: OPPI-E&Y 2009 report)*

Many of the emerging bio-pharma and biotech companies do not have spare manufacturing capacity and are therefore outsourcing rapidly as the cost of investing in new facilities is prohibitive.

This growth in outsourcing is largely on account of global pharma industry experiencing declining growth and margin pressures led by:

- Governmental pressure to reduce market price of products on account of spiraling healthcare costs
- Patent expiry of many key innovative products resulting in pressure on revenue and margins, and
- Declining R&D productivity leading to reduced pipeline

The global pharma industry is therefore compelled to reduce manufacturing costs to protect margins and develop innovative products faster and at a lower cost. This has led to changing mindsets towards R&D and manufacturing outsourcing, which augurs well for the Indian CRAMS players.

India Opportunity

Indian companies are well equipped to capitalise on the global outsourcing opportunity. These companies have strengthened their presence in the market by acquiring better technologies and developing expertise in niche segments that offer high margins and have higher entry barriers.

India offers tremendous advantage in terms of:

- World-class US FDA compliant infrastructure set up by leading players
- Large talent pool and low R&D and manufacturing cost
- High capital efficiency

Traditionally Intermediates and APIs outsourcing has been more prevalent in India, around 64% of total outsourcing is in this segment. However the scenario is changing rapidly as many Indian companies have expanded their offering to include dosage forms, injectables, bio-similars etc. under contract manufacturing and have also built capabilities in the areas of contract research for discovery and development.

Over the years, some of the Indian companies including Jubilant have steadily moved up the value chain and have significantly expanded their capacities, and capabilities, sometimes through acquisitions to gain a foot hold in high value, niche areas like injectables and biologics. This capacity expansion has enabled Indian companies to offer advantages of scale to the global pharmaceutical and life sciences industry. Jubilant has also been a pioneer in India, in the area of drug discovery and development by offering integrated solutions across target validation, discovery, pre-clinical and clinical development.

Jubilant Organosys Overview

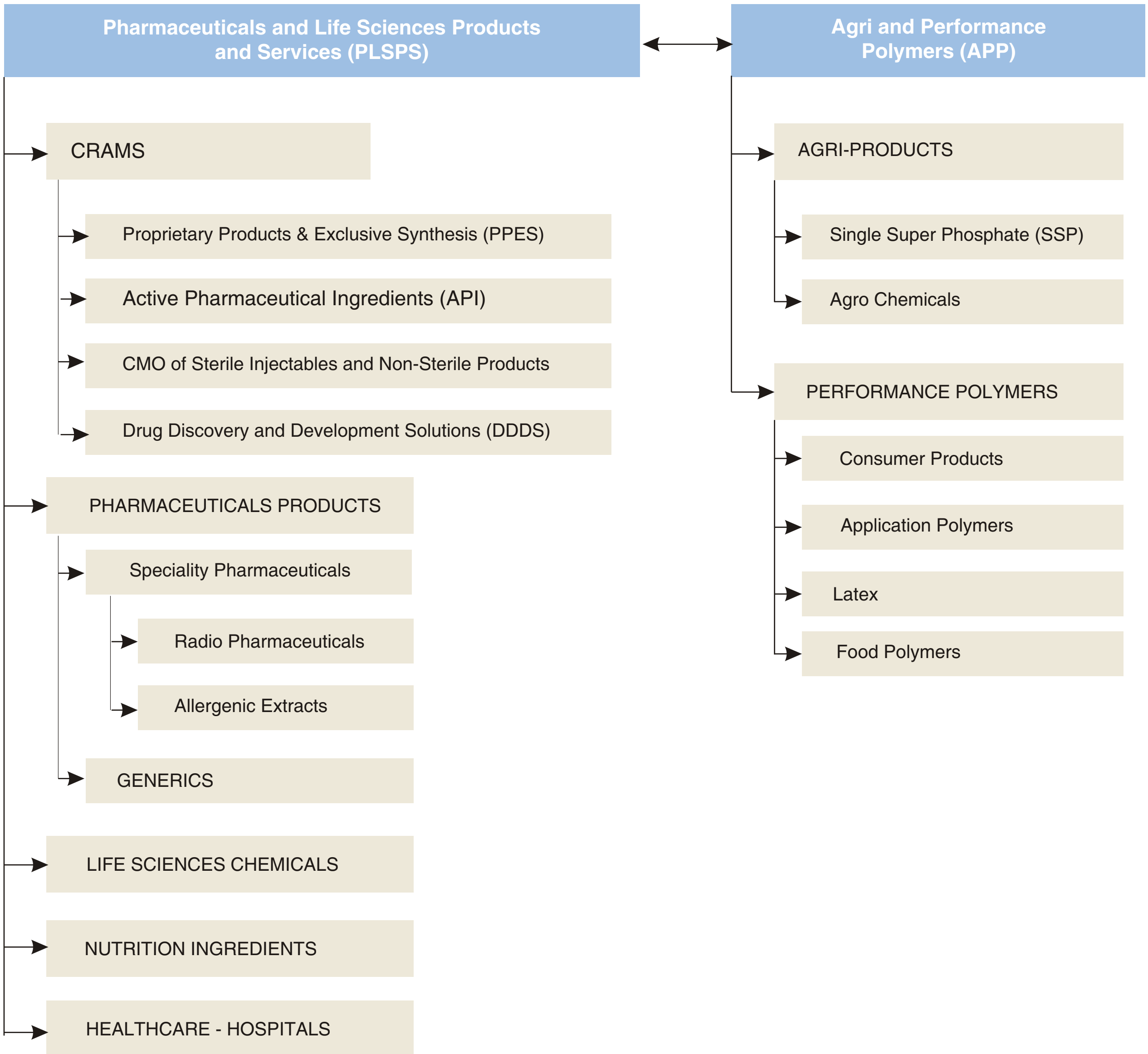
Jubilant Organosys Ltd. is an integrated pharmaceuticals and life sciences company with a presence across the pharmaceutical value chain. We offer a wide range of products and services to our customers across the globe and have built a significant presence in the CRAMS business by leveraging upon the global scale of our operations. We are well positioned as an effective outsourcing partner for the global pharmaceuticals and life sciences industry.

Our products and services offering includes proprietary products, exclusive synthesis, active pharmaceutical ingredients, contract manufacturing of sterile injectables and non-sterile products, radiopharmaceuticals, allergenic extracts, generic dosage forms, drug discovery services, medicinal chemistry services, clinical research services and healthcare services. In addition, we are also in the business of providing products and services in the agri and performance polymers segment.

We have established a strong CMO business for sterile and non-sterile products and specialty pharmaceuticals including radiopharmaceuticals and allergenic extracts products in the international market through our subsidiaries in North America. Globally, we are one of the leading manufacturers in the defined product segments, including pyridine-based Advance Intermediates (AIs) and proprietary products, certain APIs

Jubilant Organosys Ltd. is an integrated pharmaceuticals and life sciences company with a presence across the pharmaceutical value chain.

Business Segments



(carbamazepine, oxcarbazepine and lamotrigine), and Organic Intermediates (ethyl acetate and acetic anhydride) and are also a leading contract manufacturer of Sterile Injectables in North America.

Our core business of Pharma and Life Sciences Products and Services (PLSPS) contributes 88.9% to the overall revenue of the company. 71.1% of PLSPS revenue comes from international markets. Additionally, we have a significant Agri and Performance Polymers (APP) business, with global leading positions in some of the products like solid Poly Vinyl Acetate (PVA) and Vinyl Pyridine Latex (VP Latex).

We have eight manufacturing locations in India and three in North America. Our Indian manufacturing facilities at Gajraula, Nira, Samlaya and Nanjangud have or are in the process of renewing their ISO-9001, ISO 14001 and OHSAS 18001 certification. The API plant in Nanjangud, the dosage forms plant in Salisbury, Maryland, United States and the sterile injectables and non-sterile products manufacturing facilities in Spokane, Washington, United States and Kirkland, Quebec, Canada have US FDA approval. The dosage forms plant in Roorkee, India has UK MHRA approval. We also have a Drug Discovery Centre based in Bengaluru, India. Our corporate head-quarters and central R&D centre are at Noida, Delhi NCR, India.

We export our products and provide services to customers in more than 65 countries. We have marketing subsidiaries in the United States, Europe and China to effectively penetrate these major markets. Jubilant Pharma and PSI Supply focus on pharmaceuticals regulatory affairs and supply of dosage forms business in Europe. Jubilant Pharma and Cadista focus on manufacturing and distribution of dosage forms in the US market. Clinsys is a US based (CRO) company. HollisterStier and Draxis Pharma focus on contract manufacturing of multiple dosage forms from sterile parenteral injectables to non-sterile products, and the production of speciality pharmaceuticals focused on allergy therapy and radio imaging in the United States and Canada.

Business Segment Wise Consolidated Net Sales

(in ₹ million, other than % of total sales)

Business Segment	Fiscal Year 2010 Revenue	2010 % of Total Revenue	Fiscal Year 2009 Revenue	2009 % of Total Revenue
Pharmaceuticals & Life Sciences Products & Services	**33,618**	**88.9%**	**29,715**	**84.5%**
CRAMS	**21,317**	**56.4%**	**18,983**	**53.9%**
PPES	9,392	24.8%	9,124	25.9%
API	2,816	7.5%	2,549	7.2%
CMO	6,616	17.5%	4,895	13.9%
DDDS	2,493	6.6%	2,415	6.9%
Pharmaceuticals Products	**3,830**	**10.1%**	**3,059**	**8.7%**
Speciality Pharmaceuticals	2,310	6.1%	1,925	5.5%
Radio Pharmaceuticals	1,098	2.9%	873	2.5%
Allergenic Extracts	1,212	3.2%	1,052	3.0%
Generics	1,520	4.0%	1,134	3.2%
Life Sciences Chemicals	**6,424**	**17.0%**	**5,964**	**17.0%**
Nutrition Ingredients	**1,966**	**5.2%**	**1,653**	**4.7%**
Healthcare-Hospitals	**81**	**0.2%**	**56**	**0.2%**
Agri & Performance Polymers	**4,195**	**11.1%**	**5,465**	**15.5%**
Agri Products	**1,480**	**3.9%**	**2,536**	**7.2%**
Performance Polymers	**2,715**	**7.2%**	**2,929**	**8.3%**
Total Sales	**37,813**	**100.0%**	**35,180**	**100.0%**

Pharmaceuticals and Life Sciences Products and Services

Custom Research & Manufacturing Services (CRAMS)

CRAMS is our largest business sub-segment, which has a wide range of products and services. Our products are distributed internationally and we have service relationships with multinational pharmaceutical, agrochemical and life sciences companies.

i. Proprietary Products & Exclusive Synthesis (PPES)

Our PPES business unit develops, manufactures and provides Fine Chemicals and Advance Intermediates (AIs) for the global pharmaceuticals, agrochemicals and life sciences industry. Our AIs are typically used in customers' Active Pharmaceutical Ingredients (APIs) and agrochemicals that are currently in the market (in-market).

Our fine chemical products are intermediates that we develop on the basis of customer requests for use in APIs and other end-use products that may not currently be in-market. As a result, our fine chemical products business involves significant R&D efforts, and the fine chemical products are generally sold in quantities ranging from kilograms to metric tons for use by customers as part of their development and approval processes and at launch.

Our subsidiary, Speciality Molecules Limited located in Ambernath, Mumbai, India, is engaged in the business of developing, manufacturing and selling halogenated pyridine derivatives. Halogenated pyridine derivatives are used in pharmaceuticals, cosmetics and life sciences industry. We are currently selling these products and are also developing several additional derivatives with the intention of utilising them for captive consumption for various life sciences derivatives.

We currently have a library of more than 150 products, including Pyridine, Picolines and Cynopyridines which have been developed in-house by our PPES R&D team. Our Proprietary Products business currently manufactures 55 AIs and fine chemical products which are used by our customers in India and across the globe as the building blocks for 110 APIs and 22 agrochemicals. We also have 110 fine chemical products which have been developed and are awaiting commercialisation. We are also in an advanced stage of development of some large volume halogenated pyridine derivatives. The fine chemicals that we supply to pharmaceutical companies are used in APIs for a wide range of therapeutic segments, including anti-ulcer, anti-tuberculosis, anti-AIDS, anti-infectives and anti-arthritis. In agrochemicals, our products are used to manufacture herbicides (such as clodinofop, sulfasulfuran, diflufenican), insecticides (such as acetamiprid, fluvalinate and chlorpyrifos), fungicides (such as captan, piperalin and pyrifenx) and plant growth hormones (such as chlormequat chloride and forchlorfenuron).

Our Exclusive Synthesis business offers:

- Process Research and Development: We offer services of highly qualified and experienced team of scientists to work on contract research projects on a Full Time Equivalent (FTE) basis and on individual fee for services project basis for intermediates and APIs. Our Exclusive Synthesis business also undertakes impurity studies, process improvement and analytical method development and validation.

- Process Scale-up and optimisation: We undertake development of innovative non-infringing scalable processes for intermediates and APIs and deliver small scale quantities within specified time frames. We have a specialist-designed kilo lab cum pilot plant which operates under International Committee of Harmonisation (ICH) guidelines and cGMP.
- Commercial Scale Production: We offer a one-stop-solution for commercialisation of products through complete integration of our R&D, technology transfer, project and engineering teams. We have a track record of successfully commercialising various products at low cost with high production quality using more than 30 complex chemical reactions. We undertake large volume production of both continuous and batch process reactions.

We manufacture our fine chemicals and AI products at our plant in Gajraula, India and manufacture halogenated pyridines at our plant in Ambernath, Mumbai, India. Our plant in Gajraula is certified as per ISO 9001, ISO 14001, OHSAS 18001 and cGMP. This manufacturing facility is capable of conducting sophisticated manufacturing processes, particularly high-temperature and high-pressure chemical reactions.

We plan to continue to expand our fine chemicals and AI product portfolio, which will require expansion of our production capacities. These plans include expansion of production capacity by 20% at Gajraula for pyridines and picolines through process improvement and de-bottlenecking, in FY 2011.

The PPES business currently has a team of 67 scientists focused exclusively on developing new products and processes in PPES. The PPES R&D team is based at our R&D Centre at Noida, at our Ambernath facility and at our Gajraula plant, which also has a kilo lab and pilot plant. The PPES R&D effort is focused on new product development, continued process improvement to bring down the cost of manufacturing pyridine and its derivatives and to further improve the purity levels. We also maintain an Intellectual Property team tasked with verifying that we do not use any IPR-infringing processes. This Intellectual Property team also tracks technological developments worldwide and assists in protecting any innovations we develop internally.

ii. Active Pharmaceutical Ingredients (APIs)

APIs are the principal ingredients for pharmaceutical formulations, and are also known as bulk active substances or bulk drugs. APIs become formulations when the dosage is prepared for human consumption in the form of a tablet, capsule or liquid using additional inactive ingredients. Our APIs are primarily sold to manufacturers of formulations of generic drugs, which are drugs whose patents have expired in regulated markets. Over the next

Our Proprietary Products business currently manufactures 55 AIs and fine chemical products which are used by our customers in India and across the globe as the building blocks for 110 APIs and 22 agrochemicals.

two to five years, the patents for a large number of drugs are expected to expire, which we believe will increase the number of generic drugs produced and provide a significant opportunity for our pharmaceutical business to supply APIs to manufacturers of such drugs. The formulations that use our APIs are subject to strict regulation, particularly in the regulated markets of North America, Europe, Japan and Australia.

We currently have 19 APIs available through commercial scale plants, of which carbamazepine, lamotrigine, citalopram, azithromycin monohydrate, oxcarbazepine, pinavarium bromide, tramadol and resperidone are the most significant. We have filed 36 DMFs in the US market, 18 DMFs in Europe, 20 DMFs in Canada, two DMFs in Japan, six DMFs in Australia and seven DMFs in New Zealand.

We are focusing on the development of APIs in the following therapeutic categories: Central Nervous System (CNS), Cardio-Vascular Systems (CVS), Gastro-Intestinal (GI) and Anti-infectives. On 11 of the APIs which we have identified for future development, we have completed laboratory work and are awaiting commercialisation. We are continuing with our R&D effort on another 19. Once we develop these API products, we will need to identify and partner with a generic manufacturer that would use our API in their formulations.

Our APIs are produced at a manufacturing facility in Nanjangud, near Mysore, Karnataka, India. There are currently five multi-purpose multi-product plants at this facility. Our facilities at Nanjangud have or are in the process of renewing for ISO 9001:2000, ISO 14001, ISO 18001, OHSAS 18001. In addition, these facilities are compliant with World Health Organisation's cGMP guidelines for the pharmaceuticals industry. Our manufacturing facility in Najangud also obtained relevant US FDA certification and certification from AFSSAPS (Agence Française de Sécurité Sanitaire des Produits de Santé), the French Health Products Safety Agency. Our manufacturing facilities are capable of conducting sophisticated manufacturing and chemical processes, particularly high-temperature or high-pressure reactions.

Our plans in the API business segment call for increasing production capacity for many of our API products.

These plans include:

- expanding production capacity through de-bottlenecking of three existing plants at Nanjangud to increase the production capacity for existing API products, expected to be completed in Fiscal Year 2011;
- commissioning of a new multi-purpose plant at Nanjangud for sartans in Fiscal Year 2011; and
- commissioning of a new multipurpose plant at Nanjangud to manufacture new high-potency APIs including those in the oncology area in 2011.

We currently employ a team of 154 scientists at our R&D centre in Noida. These scientists focus actively on performing R&D on new APIs in order to develop non-infringing processes facilitating the first-to-file advantage in ANDAs and dossiers in regulated markets. The API R&D team is organised according to specific functionalities, including chemical synthesis, analytical research, IPR, and technology transfer. The IPR group also monitors the patent status for our API products and co-ordinates patent filing and patent infringement issues worldwide.

iii. Contract Manufacturing Operations (CMO) of Sterile Injectables and Non-sterile Products

The CMO business services the spectrum of life sciences industry requirements from large scale leading pharmaceutical companies to virtual biotechnology organisations, through our two independently branded CMO organisations in North America, HollisterStier located in Spokane, Washington, United States, and Draxis Pharma located in Montreal, Canada, and our own in-house solid dosage form capabilities. This business develops and produces sterile injectables and non-sterile products.

We offer CMO services for a broad range of sterile products, including vial and ampoule liquid fills, freeze-dried (lyophilized) injectables, biologics, suspensions and WFI diluents. The size of the vials we are currently able to produce ranges from two millilitre to 500 millilitre vials and batch sizes from 40 litres to 2,000 litres. We are also able to manufacture products in quantities suitable for clinical trials as well as for large scale commercial requirements.

The CMO services we offer for non-sterile products include solid oral and semi-solid dosage forms, including antibiotic ointments, dermatological cream and liquids (syrups, suspensions and shampoos), capsules, tablets and powder blends.

The HollisterStier manufacturing facility is located in Spokane, Washington, United States and is focused on the delivery of clinical and commercial fill and finish services for sterile parenteral pharmaceuticals, utilising both liquid and lyophilization capabilities. The HollisterStier facility has obtained US FDA, Health Canada and PMDA (Japan) certifications for its CMO manufacturing processes.

The Draxis Pharma facility is located in Montreal, Canada and has multi-dosage form capabilities ranging from sterile parenteral (vial and ampoule liquid and lyophilization), as well as sterile and non-sterile semi-solid manufacturing. The Draxis Pharma facility has obtained US FDA and Health Canada certifications for its CMO manufacturing processes.

iv. Drug Discovery and Development Solutions (DDDS)

Our drug discovery and development solution business is integrated across our three Subsidiaries: Jubilant Biosys, Jubilant Chemsys and Clinsys, with operations in North America, Europe and India. In addition, we have entered into multiple partnerships with global pharmaceutical and biotechnology companies, including a joint venture with Lilly, focusing on developing pre-clinical candidates in multiple therapeutic areas to clinical trial phase II proof of concept. The DDDS business sub-segment is one of the key growth engines in the PLSPS business segment.

Services offered

Our DDDS business is divided into four main segments: Discovery Technologies, Discovery Research, Drug Development and Drug Development Services.

Discovery Technologies

Our Discovery Technologies business is managed by Jubilant Biosys, which is based in Bengaluru, Karnataka, India and conceptualises, develops, curates and implements bio and chemo, computational science, in-silico support, Electronic Data Capture (EDC) and informatics content-based solutions that help drive the drug discovery process. Our discovery informatics solutions include human pathway databases and pathway articulators, biomarkers, small molecule knowledge bases in the target areas of kinase, protease, G Protein-Coupled Receptors (GPCRs), ion channels, Nuclear Hormone Receptor (NHR), Phosphodiesterase (PDE), plant pathways, predictive and analytical tools and clinical informatics. We also have a Drug Discovery Centre based in Bengaluru staffed by 315 scientists for such purpose.

We offer ready-to-use knowledge databases as well as customised services to create exclusive informatics knowledge solutions. To globalise the content, we provide niche and customised IT solutions that range from portal services for scientific content management to

Our drug discovery and development solution business is integrated across our three Subsidiaries: Jubilant Biosys, Jubilant Chemsys and Clinsys, with operations in North America, Europe and India.

customised and specialised integration of scientific content supporting discovery and development informatics.

Discovery Research

Discovery research is driven by the Structure Directed Drug Design concept. This business involves both Jubilant Biosys and Jubilant Chemsys. These companies collaborate with global pharmaceutical and biotechnology companies to offer flexible functional solutions in quantitative structure activity relationship (QSAR) modeling, structural biology, which includes a suite of crystallography services, medicinal chemistry, including hit-to-lead optimisation through structure activity relationship (SAR), library design and custom synthesis, in-vitro biology, which includes screening and validation services, absorption, distribution, metabolism, excretion and pharmacokinetics and discovery biomarkers. Our areas of therapeutic focus include oncology, CNS, metabolic disorders, dermatology, neuro-science and infectious diseases.

Drug Development

Jubilant Biosys, Jubilant Chemsys and Clinsys join together and partner academic institutions, biotechnology and pharmaceutical companies to accelerate the process of drug development. The functional services in this business area include pre-clinical and animal models, formulation development, process development and manufacturing to support pre-clinical and clinical requirements and clinical research services.

We operate two business models for drug development services: the standalone service model and the collaborative/partnership model.

The standalone service models allow customers the option to select from a basket of functional services, such as informatics and structural biology, across the pharmaceuticals value chain. This is similar to the Exclusive Synthesis business segment, where by we offer services of highly qualified and experienced teams to work on an FTE basis or on individual fee based project basis.

The collaborative/partnership model is an integrated discovery program across a single molecule or a portfolio of molecules. We share with the collaborators the risks and rewards of the project and we receive payments as research funding, milestone payments and bonus amounts as per individual agreements. Continued development milestones and royalties for further development and commercialisation of successful molecule or portfolio of molecules may also be agreed. Our partnering models allow collaborators to pursue integrated pre-clinical and clinical development strategies by taking targets and leads from research institutions, developing and taking them up to clinical trial phase II stage and licensing them to large pharmaceutical companies for further development and commercialisation.

Through Jubilant Biosys and Jubilant Chemsys, we have entered into a number of collaborative arrangements with a number of major pharmaceutical and biotechnology companies. Some of the prominent contracts and tie-ups include: a Letter of Intent with Duke University in November 2009 to enter global research and drug development partnership, a collaboration with Endo Pharmaceuticals in June 2009 to provide new drug candidates in oncology, a research collaboration with AstraZeneca in May 2009 to provide new pre-clinical drug candidates, a contract with Orion in April 2009 for "Hybrid and Integrated" drug discovery collaboration, a partnership in drug discovery with BioLeap LLC in January 2009 and a drug discovery partnership with Amgen Inc in July 2008.

Drug Development Services

This business provides services to both innovator and generic pharmaceutical companies through our subsidiary, Clinsys and a joint venture with Lilly named Vanthys, which focuses on developing pre-clinical candidates in multiple therapeutic areas to clinical trial phase II proof of concept. The Company leverages upon its regional expertise to offer our customers cost-effective and comprehensive clinical research services. Clinsys provides functional as well as full service clinical research services.

Clinsys has expanded the US and European business through multiple partnerships with major pharmaceutical and biotechnology companies in the US and Europe. Clinsys has 144 employees in the United States and 146 employees in India. With over a decade's experience in oncology, dermatology and evolving expertise in metabolic disorders and cardiovascular therapeutic areas, Clinsys offers clinical research operations from phase I to IV, bioavailability and bioequivalence studies, EDC support, clinical data management and biostatistical support and clinical staffing solutions.

Clinsys partners with Jubilant Biosys in building drug discovery and development models that can be integrated to enhance value for our collaborators.

We have established a hospital and research facility of approximately 33,000 sq.ft. with 62 beds and an in-house analytical laboratory to conduct this business in Noida. The facility is equipped to provide services required to conduct bioavailability/ bio-equivalence studies such as screening, clinical trials on healthy human volunteers, bioavailability and bio-equivalence studies and bio-analytical analysis. We believe that having all of these facilities together in one building enables us to conduct research more efficiently.

Pharmaceuticals Products

i. Speciality Pharmaceuticals

Our Speciality Pharmaceuticals business segment comprises the radiopharmaceuticals and allergenic extracts business sub-segments of our subsidiaries HollisterStier and Draxis Pharma in North America.

The Speciality Pharmaceuticals business develops, manufactures and markets diagnostic imaging and therapeutic radio-pharmaceutical products. It also provides services to the allergy speciality practitioners with a product range of over 200 different allergens and standard mixes of allergy vaccines.

a) Radiopharmaceutical products

The focus of the radio-pharmaceuticals division is on nuclear medicine imaging and therapeutic agents. It develops, manufactures and markets diagnostic imaging and therapeutic radiopharmaceutical products for the global marketplace. Applications for these products include cardiology, oncology, thyroid uptake and scans, lung scans, kidney and brain imaging and bone scans. The products currently marketed by the radiopharmaceutical division include a line of lyophilized Technetium-99m kits used in nuclear medicine imaging procedures and a line of imaging and therapeutic products labelled with a variety of isotopes including sodium iodide I-131. Sodium iodide I-131 is currently the main revenue contributor to this business segment.

In February 2009, DRAXIMAGE® Sestamibi, a diagnostic cardiac imaging agent used in Myocardial Perfusion Imaging (MPI) to evaluate the blood flow to the heart in patients undergoing cardiac tests, was approved by Health Canada for commercialisation in Canada, and was launched after patent expiry in July 2009.

Our radiopharmaceutical division also has a number of other products in late stage development including Moly-Fill™, a next-generation version of a technetium generator, Ruby-Fill™, a rubidium generator producing a cardiac Positron Emission Tomography (PET) imaging agent.

Our radiopharmaceutical division also conducts research and development on radio-pharmaceutical drugs for other pharmaceutical companies.

b) Allergenic Extracts

HollisterStier is one of the leading North American

The radiopharmaceutical division has a number of products in late stage development including Moly-Fill™ and Ruby-Fill™

immunotherapy and vaccine companies with 85 years of experience, and a full service provider to the allergists and medical community with a product range of over 200 different allergens and exclusive diagnostic devices. The majority of our therapeutic and diagnostic vaccines are extracted from pollens, animal pelt and sting insects (venom). HollisterStier's main products are Venomil®venom products, AP™ extracts and QUINTIP® & ComforTen™ diagnostic skin test devices.

Our Speciality Pharmaceuticals products are manufactured at two facilities in the United States and Canada. The Draxis Pharma radiopharmaceuticals facility, located in Montreal, Canada, is approved by Health Canada and US FDA. The allergenic extracts are manufactured at the HollisterStier facility located in Spokane, Washington, United States, which is a US FDA approved facility.

ii. Generics

The generics dosage forms business is aimed at deriving benefit from backward integration with APIs, backed by our in-house R&D facility for formulation development and regulatory filings, in-house CRO for conducting bio-equivalence studies for the generic R&D program and cost effective manufacturing.

In the US market, through our subsidiary, Cadista, we have established our presence as a generic pharmaceutical company and market our own products through a distribution network and the company also supply dosage forms directly to the US Federal Government through our US based manufacturing facility.

Through our Subsidiaries, Jubilant Pharma and PSI Supply, we also provide regulatory affairs services, formulation development, licensing of marketing authorisations and supply of dosage forms to generic pharmaceutical companies in Europe.

We develop dossiers, some of which incorporate our APIs, which we license to European generic pharmaceutical companies.

We also offer turnkey products and services to generic pharmaceutical companies by undertaking the supply of dosage forms and APIs based on dossiers developed by us and arrange market authorisations and release for facilitating sales of dosage forms in European Union (EU) countries and the United States.

Our dosage forms development business develops first-to-market generic drugs, innovative drugs, over the counter drugs and line extensions. In addition, we develop value-added formulations and special formulations, taste masking, flash tablets, oral dispersible forms, chewable tablets, modified release forms and upgrading/updating old dossiers for cost/process effective solutions.

Our generic dosage forms are developed and manufactured at the US FDA approved manufacturing facility in Salisbury, Maryland and at the UK MHRA approved manufacturing facility in Roorkee, India.We have also set up a 75,500 sq.ft. R&D facility for formulations development at Noida, which will provide such services in-house.

We have a R&D facility with a team of 122 scientists at Noida developing dosage forms. The facility is capable of laboratory scale manufacturing of tablets and capsules. It is equipped with modern scientific instruments for this area of work. Our R&D facility has the ability to develop solids, liquids, powders and ointments, and is currently focused on value added generics such as oral disintegration and chewable tablets.

As of March 31, 2010, we have 17 approved dossiers in Europe and 18 approved ANDAs in the United States. Our Generics business has a strong developmental pipeline of products at various stages of development. As of March 31, 2010, we have filed 13 ANDAs in the United States and 10 dossiers in Europe, which are awaiting approval.

Life Sciences Chemicals

Our Life Sciences Chemicals business segment produces various organic intermediates (acetyls): acetic acid, monochloro acetic acid, acetic anhydride, ethyl acetate and sodium monochloracetate, which are typically used in the manufacture of downstream products such as pharmaceuticals, crop protection chemicals and other solvents. A significant quantity of our organic intermediates products is used for internal consumption, to manufacture our value-added fine chemicals, AIs and performance chemicals products.

Our Acetyls business experienced an increase in the cost of raw materials in FY 2010. The cost of raw materials increased due to our direct purchase of alcohol and acetic acid, which are linked to the rising price of crude oil internationally, although domestically these prices are linked to the sugarcane crop and demand-supply balance, which has also resulted in rising prices. Given continued stability in prices of finished products, our margins have decreased for the period ended March 31, 2010. However, we expect that our Acetyls business will continue to expand at a faster rate due to the recovery in the global economy and strong growth in the domestic market.

We process ethyl alcohol (ethanol), rather than petrochemicals, which is currently partly produced and partly purchased from third party suppliers, into acetic acid, acetic anhydride and ethyl acetate. Acetic acid is used for producing various downstream products such as acetic anhydride and ethyl acetate.

The organic intermediates we produce internally are manufactured at our plants in Gajraula and Nira. Both of these plants are certified for ISO 9001 and ISO 14001.

We plan to increase our production capacities for acetic anhydride and ethyl acetate and reduce costs in the organic intermediates business segment through de-bottlenecking procedures and other process improvements. We are also planning to increase the capacity of our plant in Nira (near Pune) which is closer than our other plants to ports and hence has access to cheaper feedstock. We do not expect to incur significant capital expenditure on these products.

Nutrition Ingredients

This business primarily manufactures and markets niacin and niacinamide, which are formulated into Vitamin B3 for human, pharmacological, cosmetics and animal feed consumption, as well as choline chloride (also referred to as Vitamin B4), an important feed additive for poultry. Niacin and niacinamide find extensive usage in human nutrition such as flour fortification, food enrichment and multi-vitamins, in animal nutrition as feed additives for poultry, dairy and pig industry, and in pharmaceuticals such as diabetes and cholesterol-related drugs. They are also used in cosmetics for skin colour improvement and the manufacture of other life sciences intermediates.

We are backward integrated into the manufacturing of beta picoline through our AIs business sub-segment, which is the basic raw material used in the manufacture of niacin and niacinamide and other nutritional products.

We have increased this business segment's product offering and sales staff to increase its geographical coverage and strengthen distribution. We are currently selling niacin and niacinamide to major international markets of USA, Europe and China.

We are the largest producer in India of choline chloride and this product is well established amongst all feed premix companies and also commands a premium over competing products due to the quality and consistency of our supplies.

We also make various premixes based on vitamins or minerals or combination of vitamins and minerals. Other than making just premixes, we also make various speciality products such as growth promoters and liver protection products for poultry.

Most of our nutrition products are

We are setting up a new production facility at the SEZ, Bharuch, Gujarat for Niacinamide and 3 Chloropyridine of 10,000 MT per annum each.

manufactured at our plant in Samlaya. Our manufacturing facility in Samlaya has or is in the process of renewing its ISO 9001, ISO 14001 and OHSAS 18001 certifications and manufactures these additives to international standards of quality. We have commenced expansion of our manufacturing capabilities and are in the process of setting up:

- new production facilities at the SEZ, Bharuch, Gujarat for niacinamide and 3 Chloro-pyridine of 10,000 MT per annum each; and
- increasing the production capacity of our plant in Samlaya for choline chloride by 30% through process improvement and de-bottlenecking.

Healthcare

Our Healthcare business is operated through Jubilant First Trust Healthcare (JFTH). The motto of JFTH is to provide 'Better Care at Affordable Cost', and our beneficiaries are spread across the middle-income population in the districts and towns of West Bengal, India. We are focused on the rationalisation of capital expenditure, process-driven systems and innovative low-cost business development policies.

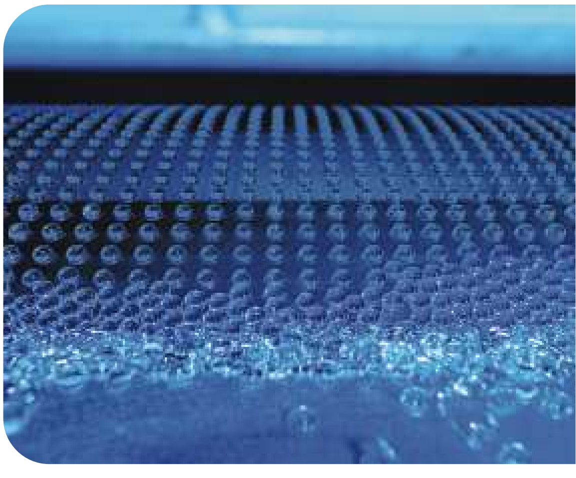
We are developing an integrated, hub-and-spoke model of hospitals in West Bengal involving one tertiary, super-speciality 400 bed hospital (Hub) at Howrah, and six secondary, multi-speciality 100 bed hospitals (Spoke) in the towns of South Bengal. Two nursing schools will also be simultaneously developed in order to provide quality human resource support. We have acquired the land for such development and construction is at various stages at different locations.

We currently run two operational hospitals, located at Berhampore (Dist. Murshidabad) (50 beds) and at Barasat (120 beds). Jubilant Kalpataru Hospital, which is a 120-bed speciality hospital set up in 2009 provides services such as neurosurgery, neonatal and pediatric intensive care. The hospital has a team of full-time doctors in major medical disciplines, who are also available on-call to extend emergency care to patients.

We plan to invest ₹ 1.8 billion over the next three years in capital expenditure towards the construction of hospitals, increasing the bed capacity and other infrastructure development for this business segment.

This business segment is nascent and its contribution to our total revenue is not expected to be significant over the next few years. However, we believe that this segment will grow in the longer term based on a variety of factors, such as the increase in average working age and life expectancy in India, the growth of the middle class with rising average household incomes, the rising trend of non-communicable diseases with higher treatment costs and general increase in health insurance penetration.

Agri and Performance Polymers



Our APP business segment comprises Agri Products and Performance Polymers. The products have wide application in industries such as pharmaceuticals, agrochemicals, textiles and foods.

In line with the continued strategy of enhancing our focus as a Pharmaceuticals and Life Sciences company, the demerger of our Agri and Performance Polymer division into a separate company was approved in principle by our Board of Directors on January 21, 2010. In addition, our Board of Directors has approved the name change of Jubilant Organosys to Jubilant Life Sciences Limited.

Agri Products

Our agri products business segment broadly comprises the manufacture of products such as fertilizers, insecticides and plant growth regulators.

Our primary agri product is Single Super Phosphate (SSP) fertilizer, although we also manufacture organic manure, sulphuric acid and agro-chemicals. Our fertilizer brand "Ramban" is one of the leading products in the SSP market in India. The fertilizer products are distributed through regional distributors, who further channel the products through institutional buyers, such as agricultural agencies or co-operatives, or through private resellers, who ultimately sell or provide the product to farmers. Growth in our agri products business has been due to the cost competitiveness of our products, but Government subsidies for SSP used by farmers has also been critical to our success.

We also produce organic manure which is manufactured as a by-product of the fermentation of molasses into alcohol undertaken by our Acetyls business segment. By converting a waste product into quality organic fertilizer, we were able to set pricing at competitive levels.

We plan to optimise the utilisation of production capacities of our plants in Chittorgarh, Rajasthan and Gajraula for SSP through process improvement and de-bottlenecking. In addition, we intend to market other agrochemicals through SSP distribution channel to fuel revenue growth.

Performance Polymers

We are a leading manufacturer of polymer-based applications which are designed to deliver user-specific applications. Our performance polymers are used in a wide range of industries, such as, furniture, architectural coatings, packaging, textiles and footwear.

Our performance polymers business is organised around four core product segments, consumer products, application polymers, food polymers and vinyl pyridine/styrene butadiene rubber latex. Our performance polymers products are those that have value-added uses that complement our strengths in acetyls and pyridine derivatives. As a result, the performance polymers are manufactured close to the site that supplies the underlying raw material, which is its primary input. Most of our performance

Board of Directors has approved the demerger of Agri & Performance Polymers Business into a separate company for pursuing the growth prospects of both the businesses independently and efficiently.

polymers, derived from acetyls and pyridine derivatives, are manufactured at our main facility at Gajraula. Historically, our captive production of the inputs for our performance polymers enables us to maintain a cost advantage for most of these products.

i. Consumer Products

This business segment produces a range of products for wood finishes and footwear adhesives and epoxy sealants. Wood finishes products are produced at our Gajraula plant, and footwear adhesives are produced by dedicated contract manufacturers with a current production capacity of 11,000 kilolitres per annum.

This business segment markets its products under the brand "Jivanjor" and has a strong presence in India through its wide distribution presence. We plan to leverage on the branding of our products through the expansion of our distribution network and also the introduction of new products under the "Jivanjor" brand in Fiscal Year 2011.

As our consumer products in this business segment are sold on a retail basis, we have a sales and marketing force of over 200 employees who sell to retailers across India. Products are distributed by nearly 600 distributors, 25,000 retailers and 25 direct customers, who are in turn serviced from our supply depots in five locations and our consignee agents at eight locations.

ii. Application Polymers

The application polymers business is engaged in manufacturing products for applications in lamination, flexible packaging, general packaging, coatings, textiles and pressure sensitive adhesives.

Coatings include polymer-based coatings for use by the paint and construction industry. There is significant price competition in this product segment. In order to capture greater added value from this product, we have introduced coating packages with paint thickeners, dispersants and other value-added uses.

The main raw materials in these application polymers are Vinyl Acetate Monomer (VAM), acrylate monomers and plasticisers that are readily available locally in India or from global markets. There is significant price competition in the domestic market for application polymers used in textiles due to domination by the unorganised sector. We plan to develop high value-added products to create product differentiation in the market place.

The adhesives we manufacture are used for applications such as labels, packaging, lamination and pressure sensitive applications. We have a low cost structure as we are able to procure VAM which is an important raw material in the production of these emulsions at low cost from third party suppliers. We have also devoted resources to developing new products in niche markets, such as pressure sensitive adhesives and hot melt adhesives.

iii. Food Polymers

Our Food Polymers business segment manufactures and markets solid Poly Vinyl Acetate (PVA), which is used as an ingredient in gum base in chewing gum and bubble gum. Synthetic polymers, of which solid PVA is but one type, are the main gum base constituent in 90% of the gum base manufactured worldwide. We enjoy cost advantages in the production of solid PVA relative to the other global manufacturers because the main raw material is VAM, which we are able to procure at low cost from third party suppliers. We are also able to produce solid PVA through proprietary processes to international standards of food-grade quality in a kosher-certified PVA plant which is also ISO 9001 and cGMP certified.

We plan to enhance our market share globally to become the preferred supplier of solid PVA, and to be among the top two manufacturers of sold PVA globally. Due to the high growth potential in demand for solid PVA, we are increasing our production capacity by 120%.

iv. Vinyl Pyridine/Styrene Butadiene Rubber Latex

We produce and market vinyl pyridine and Styrene Butadiene Rubber (SBR) latex under this business segment. These products are used in dipping of tyre cord and conveyor belt fabric. We also manufacture SBR Latex which is used in tyre carcasses, V-belts and conveyor belts. We are the largest player in the Indian market and are among the leading players in the world market.

We plan to consolidate our leading position in India by increasing market share through increased market reach and addition of new customers. We also intend to increase our production capacity at Samlaya by 15% through process improvement and debottlenecking in FY 2011.

Business Enablers

Research & Development and Intellectual Property

As of March 31, 2010, we had 1,130 employees involved in R&D activities.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continue to improve our production efficiency. Our production technologies typically incorporate specialised proprietary know-how. We have developed intellectual property internally and acquired it as an assignee through acquisitions. In addition, we may, from time to time, grant licenses to third parties to use our patents and know-how, and may obtain licenses from others to manufacture and sell products using their technology and know-how.

Manufacturing & Supply Chain

As the largest established player in pharmaceutical and life sciences outsourcing, Jubilant Organosys needs a fast and responsive operational set-up. The supply chain reliability and agility has to match world class standards. The manufacturing operations spread across India and North America need to be integrated to draw maximum value for the organisation. There is also a pressing need to deliver to globally accepted standards and being a multinational, Jubilant Organosys sees the relevance of maintaining world-class supply chain for all the business segments.

Jubilant Organosys practices the best programs & techniques to improve productivity and support excellence in manufacturing and supply chain. These include World Class Manufacturing, Lean Six Sigma and Total Productivity Management in manufacturing and "Torque" & Lean Six Sigma programs for Supply Chain. The procurement has been automated through the use of technology by means of a software program called "eJ-Buy", which aims at improving transparency in purchasing processes. The improvements are managed through cross functional teams called MDTs, which are guided and coached by respective process owners and black belts. At any given point in time, there are several concurrent programs underway at various levels in the organisation including the workgroup. The Lean Six Sigma is the Organisation's foundation initiative encompassing all aspects of improvements through structured project based approach. The Other initiative, "Sankalp", which is a Kaizen type initiative, is aimed at encouraging workgroup employees to take ownership of their job and suggest ways and means to improve current functioning. A robust performance measurement system exists in the organisation to encourage participation. The project "Torque" integrates the supply chain processes under the guiding framework of SCOR (Supply Chain Council Methodology). The program aims to enhance effectiveness and efficiency of operations in line with other world-class organisations engaged in the same line of business. This is achieved through evaluating key customer-centric metrics and then benchmarking them to the global best.

The organisation has laid a strong foundation by adopting the latest technology for manufacturing, and incorporating measures to saves energy through sustainability initiatives. These initiatives have been extended to key suppliers through "Green Supply Chain" to create a sustainable operating base for a successful global enterprise. Importance is also attached to statutory and regulatory compliances. Jubilant has always followed best-in-class operating standards and has prominent accreditations like ISO 9001, ISO 14001 and OHSAS 18001. Moreover cGMP guidelines are judiciously followed at the Active Pharmaceutical Ingredients and Fine Chemicals plants. Food products comply with Hazard Analysis and Critical Control Points (HACCP) protocol. Lastly there are enterprise-wide policies aimed at achieving zero discharge and zero accidents, in line with the environment, health and safety standards. Jubilant Organosys is involved in project based manufacturing; hence emphasis is also laid on optimising time and cost in project management. A diligent 'project team' oversees development of projects while adhering to the objectives of cost and time. Similarly a 'technology-transfer team' adapts technologies developed by R&D to the manufacturing plant. These project initiatives are mapped and tracked through Enterprise Project Management architecture across the globe. These initiatives have added a strong foundation to the enterprise, and have resulted in providing greater flexibility throughout the system in order to meet customer needs.

Every measure discussed above enables the Company to become a more effective, agile and successful CRAMS company.

Business Excellence

Jubilant has followed a value-creating strategy for building a leadership position in its chosen areas. Business Excellence is the cornerstone of its strategy to succeed and remain in the leadership position. It aims at continuously providing innovative solutions to create value for all of its customers globally and creates a framework for sustainable growth.

The organisation has got leading positions through single-minded pursuit of the Business Excellence model based on three pillars of Process, People and Customer entwined with the balanced scorecard approach. The model is based on the philosophy that to grow profitably, the organisation needs processes aligned to customer needs, which must be run by motivated and skilled people. The aim of Business Excellence is thereby two fold, create robust processes and skilled workforce.

The core objective of the Business Excellence framework is to make excellence the DNA of the organisation. The practice offers a comprehensive toolkit of approaches around the whole value chain right from Sales & Marketing, Supply Chain Planning, Manufacturing, Distribution and Innovation & Quality. The projects cover variety of themes like improving delivery performance, yield improvement in manufacturing and development of segment based effectiveness measures, Customer perception surveys etc. Jubilant's Business Excellence Model involves the systematic use of quality management principles and tools in business management, with the goal of improving performance based on the principles of customer focus, stakeholder value, and process management. Key practices in business excellence applied across functional areas in an enterprise include continuous and breakthrough improvement, preventive management and management by facts.

At Jubilant, we clearly understand that the customers' needs undergo changes with time. Hence Business excellence aims to create a structured approach to capture these changing needs and continuously improve upon the capability of our processes and ability of our people to provide to our customer "What they want and When they want". The upstream processes require flexibility to address those needs, and business excellence initiatives are designed to improve flexibility and responsiveness.

At Jubilant, the journey of continuous improvement started in the year 2004-05 with the introduction of Six Sigma and World Class Manufacturing as key improvement methodologies. Thereby multiple initiatives have been taken throughout the organisation, which have culminated in different business results on the customer side. There is a relationship program right from unified strategy, segmentation, and account management to measuring and monitoring value delivery across segments through dashboards and measures. These dashboards are integrated to performance measures internal to the organisation, like SCOR Cards and Plant dashboards. The measurement systems fuel in strategy for improvement, and programs and projects are accomplished using Balanced Scorecards, Lean Six Sigma, Theory of Constraints, World Class Manufacturing, Total Productive Maintenance & Loss Cost matrix, Supply Chain Optimisation toolkits.

A dedicated team of black belts monitor and create knowledge in the organisation based on the

At Jubilant, during the last 5 years, more than 600 improvement projects have been completed with significant top line and bottom line benefits to the organisation.

methodologies. The organisation has a DNA on green and yellow belts, with robust review structure led by process owners as Champions. The skill creation is done through carefully developed training programs at various levels.

In pharma industry, success is determined by the speed to introduce New Products and Deliver Quality and cost competitive products on time. Quality and compliance are key focus areas. A set of robust product delivery processes based on segment needs are crafted and deployed in the organisation under the Business Excellence umbrella.

At Jubilant, during the last 5 years, more than 600 improvement projects have been completed with significant top line and bottom line benefits to the organisation. This approach is not limited to Jubilant Organosys, but is also horizontally deployed to other subsidiary companies as well. These best practices are also shared across the organisation through various communication channels, and horizontal replication and knowledge management is encouraged through reward and recognition programs.

Human Resource Management

In our Company, employees continue to be the key driving force of the organisation and remain a strong source of our competitive advantage. We believe in aligning business priorities with the aspirations of employees leading to the development of an empowered and responsive workforce. We strive to create a work environment which encourages innovation and meritocracy.

We have been able to attract some of the best talent to the Company. We believe that current employees can contribute to the acquisition of high-end talent to meet the future requirements of the Company. Thus, we have an Employee Referral Program to incentivise our internal employees for referring qualified external candidates thereby leading to a win-win situation.

We use Balanced Scorecard Approach to assess individual and business performance. For Senior Management, performance assessment is being linked to the organisation's performance through Variable Pay Policy thereby making them partners in progress.

Your Company continued to support learning and development initiatives to enhance the functional as well as behavioural competencies of our people. These programs supplemented with a combination of developmental assignments and classroom training, has enabled our people to continuously learn, develop and grow.

The Reward & Recognition Program of Jubilant Organosys, named Applause, was initiated with the primary objective of rewarding & recognising individuals and teams in a timely and effective way throughout the year. Every award has evaluation criteria which emphasise the values and behaviour like Innovation, Customer Focus, Drive for Results, Strategic Thinking to name a few, that are of significance to the achievement of the organisation's strategic objectives and its long-term growth.

We have recently launched a Strategic Talent & Succession Management Process at Jubilant with the following objectives:

- To ensure clear linkage between our Talent Strategy and Business Strategy.
- To identify critical positions and ensure succession planning against each position.
- To identify and create a set of career paths, development, and retention actions for Key Players & Succession Candidates.

Jubilant encourages its employees to seek personal growth and a higher meaning to life, by organising employee volunteering events in the area of social awareness, wellness etc. The workplace harmony and bonding that such initiatives build have long-term beneficial effects for both the Company as well as its internal stakeholders.

Internal Control Systems & Risk Management

Global scope of operations and continuous enhancement in product pipeline, capacities and technologies coupled with intensifying competition pose significant challenges and risks for the organisation. Such risks, if not perceived in a timely manner, could adversely impact accomplishment of the overall objectives of the organisation and its sustainability.

An effective risk management framework enhances the organisation's ability to proactively address its risks & opportunities by determining a risk response strategy and monitoring its progress on a dynamic basis. This, in effect, helps in driving continued competitive sustainability of an organisation as it enables alignment of its operations and activities with its vision and values.

Jubilant's Vision on Risk Management

To establish and maintain enterprise wide risk management capabilities for active monitoring & mitigation of organisational risks on a continuous and sustainable basis.

Risk Management Framework

Our risk management framework is intended to ensure that risks are taken with due diligence and care. We have leverage an integrated risk management framework to identify, assess, prioritise, manage, monitor and communicate risks across the Company.

Our risk management framework comprises the following elements:

- Risk Management Strategy,
- Risk Management Structure,
- Risk Identification & Monitoring.

Risk Management Strategy

Jubilant has a strong risk management framework in place that enables active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks.

Given the established processes and guidelines we already have in place, combined with a strong oversight and monitoring system at the Board and Senior Management levels, we believe we have a robust risk management strategy in place.

Our senior management team sets the overall tone and risk culture of the organisation through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures. As an organisation, we promote strong ethical values and high levels of integrity in all our activities, which in itself is a significant risk mitigator.

Risk Management Structure

Our risk management structure comprises the Board Audit

Our risk management framework is intended to ensure that risks are taken with due diligence and care.

Committee at the apex level, supported by Executive Directors, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts and Finance and Head of Assurance function.

As risk owners, the heads of Businesses, Unit Heads and Support functions are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated at various review forums chaired by the Executive Directors and action plans are drawn up. The Audit Committee, Executive Directors and Head of Assurance function act as a governing body to monitor the effectiveness of the internal controls framework on a regular basis.

In addition, there is a perpetual internal audit activity carried out by M/s Ernst & Young Private Ltd. As our internal audit partner, they make an independent assessment of our risk mitigating measures and provide suggestions for improvement, which is then driven for implementation.

Audit Committee

The Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the internal controls being exercised by various businesses & support functions and advises the Board on matters of core concern for redressal.

Risk Identification and Monitoring

We have a strong Board and a competent set of professional managers who attempt to identify risks at an early stage and take appropriate steps to pre-empt or mitigate the same.

The Company has completed the fourth year of its certification process on a software platform wherein, all concerned Control Owners certify the correctness of key operating, financial and compliance related controls for approximately 1,950 key controls every quarter. These Controls include entity level controls across the organisation, which covers integrity and ethical values, adequacy of internal audit and internal control mechanisms and effectiveness of internal and external communication. This has made our internal controls and processes stronger and robust. This also forms the basis of compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI), requiring a certification by the CEO and the CFO on accuracy of financial statements and on the adequacy of internal controls and risk management.

We believe that this exercise has considerably strengthened the internal control systems and processes within the Company along with clear documentation on key control points.

Management's Assessment of Risk

There are several risks factors impacting Company's business. As in the past, the Company looks at these risks as challenges and opportunities. Following paragraphs give details of key risks as perceived by management and measures in place to mitigate these risks.

Cost Competitiveness

The Company believes that it is a low-cost manufacturer for most of its product segments, including Advance Intermediates, Fine Chemicals and Active Pharmaceutical Ingredients (APIs). Multinational corporations have been increasing their outsourcing of such products to highly regarded companies that can supply products at low cost that conform to quality standards set in developed markets. Recognising this as an opportunity and a key driver of business growth, the Company continued to take initiatives in reducing its costs by employing lean manufacturing techniques, alternate resource management and six sigma initiatives.

Significant variations in the cost and availability of raw materials and energy may reduce the Company's operating results. In general, the prices and availability of our raw materials and energy may vary with market conditions and may be highly volatile. Wherever feasible, the Company enters into long term contracts with volume commitments and prices which are linked to key input material prices to mitigate risk.

Compliance and Regulatory Framework

With our significant presence in Pharma & Life Sciences (PLSPS) space, we need to comply with a broad range of regulatory controls on testing, manufacture and marketing of some of our products. In some countries, including the United States, regulatory controls have become increasingly demanding. This trend will continue and expand to other countries, particularly those of the European Union (EU). A proposed new EU chemicals policy called Registration, Evaluation and Authorisation of Chemicals (REACH) could mandate, among other things, a significant increase in the testing and assessment of basic chemicals and chemical intermediates, leading to increased costs and reduced operating margins for these products.

Our PLSPS segment is subject to strict regulatory regimes. Failure to achieve regulatory approval of new products can mean that we do not recoup our research and development investment through sales of these products. Regulatory agencies may at any time change regulations or reassess the safety and efficacy of our products based on new scientific knowledge or other factors. Such reassessments could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in a loss of revenue. This may occur even if regulators take action falling short of actual withdrawal.

We have adopted measures to address these stricter regulations, such as increasing the efficiency of our internal research and development process in order to reduce the impact of extended testing and making our products available on time-to-market.

Environment, Health & Safety (EHS) Risks

Compliance with increasingly stringent emission standards relating to the manufacturing facilities, or other environmental regulations, may adversely affect the business and results of operations. Some of the Company's research & development and manufacturing operations involve dangerous chemicals, processes and by-products. The manufacture of Pharmaceuticals, Advance Intermediates, Fine Chemical products, Sterile Injectables and Non-sterile Products is subject to stringent regulations. The Company anticipates that environmental laws and regulations in the jurisdictions where it operates, relating to the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations, may become more restrictive and be enforced more strictly in future. It also anticipates that customer requirements as to the quality and safety of production processes and products will continue to increase.

In anticipation of such requirements, the Company has incurred substantial expenditure and allocated human resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

At Jubilant, the challenges due to the Company's operations related to EHS aspects for the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures, which are explained below:

- For existing plant operations, the audit team reviews the system regularly to achieve the overall objective of the organisation and sustainability.

The Company has incurred substantial expenditure and allocated human resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

- Assessment of EHS aspects at capital expenditure stage for new projects as well as expansion of existing projects.
- Carry out Environmental Impact Assessment study for projects as per the statutory requirement and obtain regulatory approval prior to setting up of new plant or expansion of existing facilities. Develop the Environment Management Plan to minimise the impacts identified.

The Company's operations are subject to the operating risks associated with pharmaceutical and chemical manufacturing, including related storage and transportation of raw materials, products and waste. These hazards include, among other things:

- pipeline and storage tank leaks and ruptures;
- fire & explosions; and
- discharges or releases of toxic or hazardous substances.

Such hazards may cause personal injury, damage to property and environmental contamination, and may result in the shutdown of affected facilities and the imposition of civil or criminal penalties. The occurrence of any of these events may subject the Company to litigation and/or significantly reduce the productivity and profitability of a particular manufacturing facility.

To mitigate these risks, the Company follows the Hazard Identification & Control system through Hazard and Operability (HAZOP) or similar tool to identify the safety aspects related to manufacturing activities for new projects/expansion of existing plants and management plan for the same.

The Company also maintains an industrial all-risk insurance policy for its primary manufacturing facility at Gajraula, as well as property and casualty insurance at other manufacturing facilities and believes it is in accordance with customary industry practices.

The Company has processes in place for risk identification, monitoring and mitigation and incident management related to employee and environmental protection, facilities, assets, products, compliance, reputation and communication.

Foreign Currency Exposures

As a prudent risk management policy, the Company does not enter into any foreign exchange derivatives or forward contracts which are speculative in nature. Given the Company's consistent policy, there are no derivative transactions of a speculative nature outstanding as of date. Foreign currency exposures on account of global scale of operations could impact the financial results of the Company.

The Company derived 64.9% of its revenue from international sales in FY 2010. Apart from this, the Company has foreign currency exposures arising out of imports and foreign currency debt, including convertible bonds.

To mitigate foreign currency related risks, a risk management team comprising CMD, ED-Finance and Controller-Financial Market Risk formulates the foreign exchange risk management approach and reviews it dynamically to align it with developments in the external environment and business requirements.

Further, currency and interest rate swaps are regularly evaluated to protect the Company's foreign currency loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board, for information.

Acquire and Retain Professional Talent

The Company's dependence on R&D activity makes it very important that it recruits and retains high quality R&D specialists. In case the Company fails to hire and retain sufficient numbers of qualified personnel for such R&D functions, as well as generally in functions such as manufacturing, finance, marketing & sales, information technology, human resources & management, our business operating results and financial condition could be harmed.

The Company has committed substantial resources to this effort given the competition for qualified and experienced scientists from biotechnology, pharmaceutical and chemical companies, as well as universities and research institutes, in India and abroad. To execute its growth and diversification plans, while on the one hand, the Company continues to hire new, highly-skilled scientific and technical personnel; it also introduced Rewards & Recognition policies for effective employee engagement with the following objectives:

- Recognise individuals and teams, in a timely and effective way, for exceptional contributions to the Company,
- Provide a uniform and consistent recognition platform across locations,
- Provide a continuum of opportunities to acknowledge and recognise employees,
- Highlight behaviours and contributions that have benefited the organisation for others to emulate.

Further, the Company has launched Jubilant Employee Wellness program with the following objectives:

- Creating awareness to assist employees and their families to lead healthier lives,
- Wellness Management of Employees at Physical, Emotional, Work Efficiency and relationship levels,
- Preventing and Managing Stress & Stress Disorders,
- Enhancing Fitness for better Productivity.

The above programs have benefited the Organisation and these benefits include the following:

- Better productivity of employees,
- Reduced attrition rate and absenteeism. Cost saving on selection and training,
- Improved customer satisfaction, retention and referrals,
- Happy, healthy workforce and harmonious teamwork,
- Savings on costly and unnecessary whole body checkups & healthcare cost, Mediclaim & other premiums,
- Enhanced employer branding,
- Corporate social responsibility towards employees.

Recognise individuals and teams, in a timely and effective way, for exceptional contributions to the Company.

Protecting Intellectual Property Rights

Our success will depend, partly on our ability to obtain and protect Intellectual Property Rights (IPRs) in future and operate without infringing the IPRs of others, particularly in the context of our pharmaceuticals business. Our competitors may have filed patent applications, or hold issued patents, relating to products or processes that compete with those we are developing, or their patents may impair our ability to do business in a particular geographical area.

The Company in addition to patents has relied on trade secrets, know-how and other proprietary information as well as requiring our employees, vendors and suppliers to sign confidentiality agreements.

Financial instability in other countries could disrupt Indian markets with adverse impact on our business and may cause the trading price of our Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly United States of America, Europe and emerging markets in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, as experienced in recent months across the globe, could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India. Accordingly, any significant financial disruption could have an adverse effect on our business, future financial performance and the prices of our Equity Shares.

While we have not been materially affected by the present European debt crisis, any prolonged financial turmoil may have an adverse impact on the Indian economy and on us, thereby resulting in a material and adverse effect on our business, operations, financial conditions, profitability and price of our Equity Shares.

Business Interruption due to Force Majeure

The Company's largest manufacturing facility is at Gajraula (UP). The plant in Gajraula is our main production facility for organic intermediates. Any disruption at our Gajraula plant or stoppage of work due to labour strikes, social unrest, terrorist attacks, natural calamities or any other reasons may adversely affect our business and results of operations. Production disruption in our Gajraula plant may also adversely affect production in our other facilities for our other business segments to which our Gajraula plant supplies raw materials, which could have a resultant impact on the earnings of the Company.

Adequate insurance protection has been taken by Jubilant to ensure continuity in its earning capacity. Besides, presence of a major workforce in the residential colony adjoining our plant premises ensures sustenance of plant operations under challenging circumstances.

Third Party Liability Risks

The Company's business inherently exposes it to potential liability from its customers or end users for defects in products. It exports products to highly regulated markets, including the United States and Europe, which are noted for their litigious nature and high awards of damages. The Company is covered by a global product liability insurance program with respect to its major manufactured products which provides a compensating safeguard against such risks, if they materialise.

Annual Accounts

Directors' Report

Your Directors have pleasure in presenting the Thirty Second Annual Report and Audited Accounts for the year ended March 31, 2010. Your Company recorded robust growth in revenue and operating profits due to its strategic thrust on moving up the value chain in its Pharma and Life Science businesses. Outsourcing remains our key strategy and your Company is the largest Custom Research and Manufacturing and Drug Discovery and Development Services Company out of India.

Financial Results

	Year ended March 31, 2010 [₹/million]	*Year ended March 31, 2009 [₹/million]*
Sales and Other Income	**25,537**	26,287
Net Sales	**24,462**	24,307
EBITDA	**6,469**	4,399
Interest	**997**	544
PBDT	**5,472**	3,855
Depreciation	**651**	746
Exceptional items	**228**	379
PBT	**4,593**	2,730
Provision for Taxation	**962**	123
PAT	**3,631**	2,607
Profit brought forward from previous year	**7,558**	6,712
PROFIT AVAILABLE FOR APPROPRIATION	**11,189**	9,319
Which the Directors have appropriated as follows:		
– Proposed Dividend on Equity shares	**317**	223
– Tax on Dividend on Equity Shares	**53**	38
– Transfer to General Reserve	**2,000**	1,500
Balance to be carried forward	**8,819**	7,558

Operations

Standalone Financials

Revenues

Revenues in FY2010 increased by 0.6% and were at ₹ 24,462 million from ₹ 24,307 million in FY2009.

PLSPS

The revenue in PLSPS segment grew by 7.6% to ₹ 20,281 million from ₹ 18,840 million in FY2009. The CRAMS revenues increased by 7.4% to ₹ 11,934 million from ₹ 11,109 million last year.

APP

The APP segment revenues were at ₹ 4,181 million from ₹ 5,468 million in FY2009. The lower revenue in APP was on account of decline in revenues in Application Polymers & Fertilizers businesses.

DIRECTORS' REPORT

International Revenues

International Revenues were at 45.9% of the Company's total revenues and at 52.2% of PLSPS revenues. In FY2010 it was higher by 2.2% to ₹ 11,219 million from ₹ 10,978 million previously. China showed revenue improvement by 30.7% to ₹ 3,441 million.

EBITDA

In FY2010, the EBITDA expanded by 47.1% to ₹ 6,469 million from ₹ 4,399 million in FY2009. The EBITDA margin was at 26.4% as compared to 18.1% in FY2009. The EBITDA margins in PLSPS business stood at 34.3% from 25.2% last year and in APP segment stood at 4.7% from 8.3% last year.

Profit Before Tax

Profit Before Tax in FY2010 showed outstanding growth of 68.2% at ₹ 4,593 million against ₹ 2,730 million in FY2009.

Net Profit and EPS

The FY2010 Net Profits grew 39.3% to ₹ 3,631 million against ₹ 2,607 million last year. The EPS was at ₹ 24.60 against ₹ 17.70 last year.

Consolidated Financials

Revenues

Revenues in FY2010 increased by 7.5% and were at ₹ 37,813 million from ₹ 35,180 million in FY2009.

PLSPS

The revenue in PLSPS segment grew by 13.1% to ₹ 33,618 million from ₹ 29,715 million in FY2009. The CRAMS revenues increased by 12.3% to ₹ 21,317 million from ₹ 18,983 million last year. The CMO operations have shown good revenue growth of 35.2% at ₹ 6,616 million from ₹ 4,895 million. Growth in Pharmaceuticals Products was also very good at 25.2% to ₹ 3,830 million.

APP

The APP segment revenues were at ₹ 4,195 million from ₹ 5,465 million in FY2009. The lower revenue in APP was on account of decline in revenues in Application Polymers & Fertilizers businesses.

International Revenues

International Revenues were at 64.9% of the Company's total revenues and at 71.1% of PLSPS revenues. In FY2010 it was higher by 12.7% to ₹ 24,540 million from ₹ 21,771 million previously. China showed revenue improvement by 27.7% to ₹ 3,708 million and North America showed growth of 17.8% to ₹ 13,919 million in FY 2010.

EBITDA

In FY2010, the EBITDA expanded by 34.3% to ₹ 8,260 million from ₹ 6,148 million in FY2009. The EBITDA margin was at 21.8% as compared to 17.5% in FY2009. The EBITDA margins in PLSPS business stood at 26.0% from 21.8% last year and in APP segment stood at 4.6% from 8.1% last year.

Profit Before Tax

Profit Before Tax in FY2010 showed outstanding growth of 74.6% at ₹ 5,179 million against ₹ 2,966 million in FY2009.

Net Profit and EPS

The FY2010 Net Profits grew 48.8% to ₹ 4,215 million against ₹ 2,832 million last year. The EPS was at ₹ 28.56 against ₹ 19.22 last year.

Dividend

Your Directors recommend a dividend of 200% i.e. ₹ 2 per fully paid up equity share of ₹ 1 for the year ended March 31, 2010. This will result in a dividend payout of ₹ 370 million (inclusive of tax) based on existing capital.

Appropriations

It is proposed to transfer ₹ 2,000 million to General Reserve and retain the balance in Profit and Loss Account.

Capital Structure

(A) Foreign Currency Convertible Bonds (FCCBs)

Your Company, during 2004-05, 2005-06 and 2006-07, issued Foreign Currency Convertible Bonds (FCCBs) of USD 35 million (FCCB 2009), USD 75 million (FCCB 2010) and USD 200 million (FCCB 2011), respectively. During the year, the outstanding balance of FCCB 2009 was completely redeemed.

The balance FCCBs along with the number of shares to be issued, if converted, is given below:

Particulars	*Year of Issue*	*Size of Issue (in million USD)*	*Interest Rate (%)*	*FCCBs converted into equity shares (in million USD)*	*FCCBs bought back (in million USD)*	*Balance FCCBs outstanding (in million USD)*	*Conversion Details*		*No. of shares of ₹1 each (to be allotted if converted for outstanding FCCBs)*
							Conversion Period	*Conversion Price per Equity Share (₹)*	
FCCB 2010	2005-06	75	0	22.3	3.0	49.7	July 3, 2005 to May 14, 2010	273.0648	7,883,231
FCCB 2011	2006-07	200	0	0	57.9	142.1	June 30, 2006 to May 10, 2011	413.4498	15,483,391
Total		**275**		**22.3**	**60.9**	**191.8**			**23,366,622**

Whilst the FCCBs are listed on Singapore Stock Exchange, the Global Depository Shares (GDSs) arising out of conversion of FCCBs are listed on Euro MTF Market of the Luxembourg Stock Exchange.

(B) Employees Stock Options (ESOPs)

During the year, 41,523 Stock Options were granted under the Jubilant Employees Stock Option Plan 2005. Each option is convertible into five equity shares of ₹1 each at the exercise price fixed at the time of grant being market value as per SEBI Guidelines.

As on 31st March, 2010, 365,331 Stock Options were outstanding. A maximum of 1,826,655 shares will be allotted / transferred from Jubilant Employees Welfare Trust upon exercise of these Options. However, no dilution under ESOPs is expected, as Jubilant Employees Welfare Trust is envisaged to transfer the shares held by it to employees on exercise.

The details as required under Regulation 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in **Annexure A**.

(C) Issue to Qualified Institutional Buyers

During the last week of March, 2010, your Company raised ₹ 3,871.32 million by way of private placement to Qualified Institutional Buyers. The Company allotted 11,237,517 shares of ₹ 1 each at a price of ₹ 344.50 per share. Consequently, the paid up share capital of the Company increased from ₹ 147,542,258 to ₹ 158,779,775. The proceeds of the issue will be used for capital expenditure for organic growth, investment in Subsidiary companies and joint ventures, working capital, payment of debts and other general corporate purposes.

(D) Paid Up Capital

The paid up Capital as at March 31, 2010 stands at ₹ 158,779,775/- comprising of 158,779,775 equity shares of ₹1 each.

The impact of future conversions of FCCBs into equity shares on the share capital assuming full conversion would be as follows:-

Particulars	*No. of Shares of ₹1 each*
Existing nos. of shares as on March 31, 2010	158,779,775
Add: Shares to be allotted on conversion of outstanding FCCBs	23,366,622
Fully diluted no. of equity shares on conversion of FCCBs	**182,146,397**

Note: No dilution under ESOPs is expected, as Jubilant Employees Welfare Trust is envisaged to transfer the shares held by it to employees on exercise.

(E) Proposed Demerger

In the last quarter of 2009-10, the Board of Directors of the Company approved the demerger of its Agri and Performance Polymer business into a separate company for pursuing the growth prospects of both the businesses independently and efficiently. Detailed scheme is expected to be considered by the Board in June/July 2010 and the process is expected to be completed in Q3 FY 2011.

(F) Name Change

To reflect the evolved character of the Company as an integrated Pharmaceutical and Life Sciences Company, the Board of Directors on October 22, 2009 approved the change of name of the Company to "Jubilant Life Sciences Limited". The shareholders also approved such change by a Special Resolution through Postal Ballot on December 2, 2009.

The Company is in the process of completing the procedural formalities for change of name. We expect the name change process to be completed along with the Demerger.

DIRECTORS' REPORT

Subsidiaries

Brief particulars of principal subsidiaries are given below:

Hollister-Stier Laboratories LLC - This Delaware, USA based company, is a wholly owned subsidiary of HSL Holdings Inc. It is a recognised contract manufacturer of sterile injectable vials, syringes and lyophilized products and provides a complete range of services to support the pharmaceutical and biopharmaceutical industries. Additionally, it is a manufacturer of allergenic extracts, targeted primarily at treating allergies and asthma.

Its contract manufacturing capabilities include aseptic liquid fill / finishing and lyophilization in three distinct cGMP areas designated as Small Volume Parenteral (SVP), Small Lot Manufacturing (SLM) and Clinical Trial Manufacturing (CTM). Its capabilities can be applied to a variety of projects from pre-clinical through commercial scale across a multitude of dosage forms including: microspheres, suspensions, WFI/diluents, biologics (proteins), lyophilized products, liposomes and BD Hypak syringes. Hollister-Stier maintains an outstanding regulatory record with the FDA (CBER and CDER), EMEA and Japan's and Brazil's regulatory agencies. Hollister-Stier's contract manufacturing business serves 38 customers, some of which involve multiple products, ranging from small biotechnology to large pharmaceutical companies.

Draxis Specialty Pharmaceuticals Inc. - This Company is a subsidiary of your company and provides products in three categories: sterile products, non-sterile products and radiopharmaceuticals. Sterile products include liquid and freeze-dried (lyophilized) injectables plus sterile ointments and creams. Non-sterile products are produced as solid oral and semi-solid dosage forms. Radiopharmaceutical is a niche, high entry barrier business. Draximage markets radioactive products with radioactive isotope already incorporated, and non-radioactive products, which are solid in lyophilized form. Radiopharmaceuticals are used for both therapeutic and diagnostic molecular imaging applications to customers comprising hospitals, imaging centres and cardiology / oncology clinics. Pharmaceutical contract manufacturing services are provided through the DRAXIS Pharma division and radiopharmaceuticals are developed, produced, and sold through the DRAXIMAGE division.

DRAXIS operates a USFDA approved manufacturing facility in Montreal at Canada. It is recognised globally for its quality and execution capabilities, strong regulatory track record and has an established customer base comprising large innovator and specialty pharmaceutical companies.

Jubilant Biosys Limited - This Company is a subsidiary of your Company through Jubilant Biosys (Singapore) Pte. Limited, wholly owned subsidiary of your Company, which holds 66.98% of the equity of this company.

This company provides Drug Discovery Services to Global Pharmaceutical and Biotech companies in:

- Stand alone service model
  - Functional services in area of Discovery Informatics, Structural Biology and In Vivo & Invitro Biology on FTE or Fee based model.
- Collaborative / Partnership Model
  - Integrated discovery program across a single or a portfolio of molecules
  - Risk / Reward sharing option
- Research Funding
- Payments for scientific milestones including bonus achieved through Discovery and Development phase
- Royalties on successful commercialisation of drug.

During 2009-10, this company has been able to consolidate its position in the Drug Discovery Services by providing services in integrated drug discovery programmes, functional service in structural biology, High through put screening, Insilco modeling and In Vivo Biology and Invitro Biology.

Its collaboration with Lilly has been renewed for next 5 years in the 4th year of its existing 5 year collaboration term because of its scientific and business success. In April 2009 the Company signed major five year Integrated portfolio collaboration deal with Astra Zeneca and Endo Pharmaceutical on shared risk basis, and Integrated programmes under these deals are running successfully. In July 2009, it signed another deal with Merck on FTE basis.

Jubilant Discovery Services Inc. - This Delaware, USA corporation, is a wholly owned subsidiary of Jubilant Biosys Limited. This company provides sales, marketing and liaising services to Jubilant Biosys Limited for its US based customers.

Jubilant Chemsys Limited - This Company is a subsidiary of your Company through Jubilant Drug Development Pte. Limited, wholly owned subsidiary of your Company, which holds entire equity of this company. This company offers following services to drug discovery companies based out of US, Europe and Japan on Full Time Equivalent and molecule basis:

- Discovery Chemistry functions
- Hit to lead and lead optimization
- Medicinal Chemistry Services
- Scaling up from mg to kg in kilo lab and pilot plant

It also works closely with Jubilant Biosys Limited in collaborative drug discovery research services areas.

Clinsys Clinical Research Limited - This Company is a subsidiary of your Company through Jubilant Drug Development Pte. Limited, wholly owned subsidiary of your Company, which holds entire equity of this company.

This company offers following services to pharmaceutical, biotechnology and medical device companies:

- Bio-analytical, Bio equivalence & Pharmacokinetics studies with 52 bed facility at Noida
- Clinical trials from Phase I-IV
- Clinical Data Management studies
- Clinical Trial Staffing solutions

During 2009-10, this Company has been able to sign major Clinical trial contracts with Lupin and Sandoz, which will enhance its Clinical trial business.

Clinsys Clinical Research Inc. - This New Jersey, USA corporation, is a wholly owned subsidiary of Clinsys Holdings Inc. and is a therapeutically focused full service clinical research organisation.

This company has expertise in a wide range of highly specialised therapeutic areas including oncology, cardiovascular, central nervous system, respiratory, dermatology and allergy/immunology. It is offering broad range of clinical research services to pharmaceutical, biotechnology and medical device companies in support of Phase II-IV drug and device development including project management, clinical monitoring, scientific and medical support, patient and investigator recruitment, site management, biostatistics, data management, drug safety, quality assurance, regulatory affairs and medical writing. This company has operations in Bedminster, New Jersey, Raleigh, North Carolina, Ottawa, Ontario, Canada and Dusseldorf, Germany.

Jubilant Innovation (India) Ltd. - This Company became wholly owned subsidiary of your Company through Jubilant Innovation (BVI) Limited, during the year. This company provides services in the area of:-

- Drug Development Scientific Services,
- Project Management services and
- Related and ancillary activities for the above-mentioned services for the development of molecules owned/ co-owned by Jubilant Innovation (BVI) Limited.

The company fosters the development of molecules owned/ co-owned by Jubilant Innovation (BVI) Limited, in terms of finding right CRO's in India to get maximum cost arbitrage based on their capabilities, overseeing, analysis and monitoring of information on clinical / toxicology studies being conducted in India on Jubilant Innovation (BVI) Limited's molecules.

Jubilant Innovation Pte. Limited - This Singapore Company is a wholly owned subsidiary of Jubilant Innovation (BVI) Limited. The company is an investment company and owns 50% share holding in Vanthys Pharmaceutical Development (P) Limited, a 50:50 Drug Development Joint Venture with Lilly. It has also signed a Joint Venture agreement with University of Alabama, US and Southern Research Institute, US in field of Drug Discovery.

Jubilant Innovation (BVI) Limited - This British Virgin Island company is a wholly owned subsidiary of Jubilant Pharma Pte. Limited. This Company co-develops /in licenses the prescription pharmaceuticals at late discovery or preclinical phases, and develops these molecules through a phase II Proof of Concept (POC) trial.

The company develops these molecules on and at risk basis with either a predetermined return structure or an equity interest and sells these molecules after Phase II POC study for development completion. The selling /out licensing will have upside in terms of upfront payment, various milestone payments including sales milestones and/or sales royalties.

Jubilant Innovation (USA) Inc. - This Delaware, USA Corporation, became wholly owned subsidiary of your Company through Jubilant Innovation (BVI) Limited, during the year. This company provides services in the area of:-

- Drug Development Scientific Services,

DIRECTORS' REPORT

- Project Management services and
- Related and ancillary activities for the above-mentioned services for the development of molecules owned/ co-owned by Jubilant Innovation (BVI) Limited.

The company fosters the development of molecules owned/ co-owned by Jubilant Innovation (BVI) Limited, in terms of finding right CRO's in US and Europe based on their capabilities, overseeing, analyses and monitoring of information on clinical / toxicology studies being conducted outside India on Jubilant Innovation (BVI) Limited's molecules.

Jubilant Infrastructure Limited - This wholly owned subsidiary of your Company has set up Sector Specific Special Economic Zone (SEZ) for Chemicals and Pharmaceuticals in Gujarat. About 107 hectares land has been taken on lease from GIDC in Bharuch District, Gujarat. The Government of India notified the SEZ in February 2008. In September 2008, the Central Government constituted the Approval Committee for this SEZ.

During first Approval Committee meeting for this SEZ in November 2008, SEZ unit of this company was considered for approval and accordingly, a Letter of Approval has been issued for setting up Unit in the SEZ.

This SEZ has received all the required permissions, approvals, eligibility certificates & licenses under SEZ Act and Rules & other relevant Laws. It has received Environment Clearance from Ministry of Environment & Forest, Government of India and accordingly, Consent to Establish has also been received from Gujarat Pollution Control Board under the applicable Water and Air Acts.

Jubilant First Trust Healthcare Limited - This Company is in the business of healthcare and is involved in setting up an integrated hub-and-spoke network with a total of about 1,000 beds in West Bengal. The effort is led by a team of professional doctors and healthcare planners in West Bengal. During the year, the Company commissioned a new 120-bed super-specialty hospital and added 73 beds during the year to have a total capacity of 165 beds across two hospitals in West Bengal. Your Company holds 92.89% of equity capital of this company. This company holds 99.77% capital of Asia Healthcare Development Limited.

Asia Healthcare Development Limited - This Company is a subsidiary of your Company through Jubilant First Trust Healthcare Limited, which holds 99.77% of its total capital. This Company runs a hospital in Behrampur, 200 kms away from Kolkata, on a Public-Private-Partnership with Government of West Bengal.

Speciality Molecules Limited - This is a wholly owned subsidiary of your Company and is engaged in the manufacturing of Fine Chemicals which are halogenated Pyridine derivatives. These products are used in Life Science Industry including Pharma, Agro & Cosmetic Industry. The Company has niche technology of halogenation and is a winner of Acharya P.C. Ray award for development of indigenous technologies.

It has 12 commercial products in it's portfolio and is one of the largest producers of 2-Chloro Pyridine globally and has aspiration to have global leadership in it within 2-3 years time.

This Company is scaling up two new products, one of which is used in large volumes in agrochemical industry and is working aggressively to map all global customers of other halogenated products and develop them to maximise revenue from these products.

Cadista Pharmaceuticals Inc. - This Delaware, USA corporation, is a wholly owned subsidiary of Cadista Holdings Inc. This Company is in the business of manufacturing generic pharmaceuticals, solid dosage forms and has a US FDA approved manufacturing facility in USA. It supplies its products to almost all the large wholesalers, retail and grocery chains. Besides manufacturing its own label products, it also provides Product development and Contract manufacturing services.

Jubilant Organosys (USA) Inc. - This Delaware, USA corporation, is a wholly owned subsidiary of your Company. It undertakes sales and distribution of advance intermediates, fine chemicals, CRAMS and APIs in USA.

Jubilant Organosys (Shanghai) Limited - This wholly owned subsidiary of your Company is held through Jubilant Pharma Pte. Limited. It undertakes sales and distribution of products in China. It is into trading of advance intermediates - Pyridine & its derivatives and fine chemicals. It is catering to pharmaceutical and agrochemical industry in China. This subsidiary is also a sourcing hub for raw materials for your company.

Jubilant Pharmaceuticals N.V. - This is a wholly owned subsidiary of your Company through Jubilant Pharma N.V. Belgium, which holds 99.8% of its shares and Jubilant Pharma Pte. Limited, Singapore which holds the balance shares, both of which are wholly owned subsidiaries of your Company. This Company is engaged in the business of licensing of generic dosage forms and offers regulatory affairs services to generic pharmaceutical companies for the diverse European market.

PSI Supply N.V. - This is a wholly owned subsidiary of your Company. 99.5% shares of this company are held by Jubilant Pharma NV and balance by Jubilant Pharma Pte. Limited. This Company is engaged in the supply of generic dosage forms to European markets.

Draximage India Limited - This Company became a wholly owned subsidiary of your Company through Draximage Limited, Cyprus, during this year. The Company has not yet started its operations but intends to place itself in the market as a first choice of Customers as it will become one point solution to customers for all their products & services needs in Nuclear Medicine. The Company's vision is to be a global partner of choice in delivering innovative imaging and radiopharmaceutical solutions especially in the field of Myocardial Perfusion imaging, Infection Imaging, Oncology (Predict, Diagnose, Inform & Treat).

The Company also proposes to set up a centralised Radio pharmacy which will further propel growth for the company and help us not only to provide a strategic advantage over competitors but also to achieve the leadership status in the Nuclear Medicine.

Other subsidiaries as at the year end are as follows:

Clinsys Holdings Inc., USA

Jubilant Pharma Pte. Limited, Singapore

Cadista Holdings Inc., USA

Jubilant Pharma NV, Belgium

HSL Holdings Inc., USA

Cadista Pharmaceuticals (UK) Limited, UK

Jubilant Biosys (Singapore) Pte. Ltd., Singapore

Jubilant Drug Development Pte. Ltd., Singapore

Jubilant Organosys (BVI) Ltd., British Virgin Islands

Jubilant Biosys (BVI) Ltd., British Virgin Islands

Jubilant Organosys International Pte. Limited, Singapore

Colvant Sciences Inc., USA

Draximage Limited, Cyprus

Draximage Limited, Ireland

Deprenyl Inc., USA

DSPI Inc., USA

Draximage LLC, USA

6963196 Canada Inc., Canada

6981364 Canada Inc., Canada

Draximage (UK) Limited, UK

DAHI Animal Health (UK) Limited, UK

DAHI LLC, USA

*Draxis Pharma LLC, USA

*Draxis Pharma Inc., USA

*Hitech Shiksha Limited

**** became subsidiary during the year***

Particulars required as per Section 212 of The Companies Act, 1956

In terms of the exemption granted by the Government of India vide its letter dated April 22, 2010, from attaching the Directors' Reports, Balance Sheets, Profit & Loss Accounts and other particulars of the aforesaid subsidiaries, the same have not been attached to this Report.

Fixed Deposits

No fresh deposits have been accepted by your Company during the year from the public. As on March 31, 2010, your Company had no outstanding Fixed Deposits. There were no overdue deposits. There were, however, 63 unclaimed deposits amounting to ₹ 9.63 lacs.

DIRECTORS' REPORT

Auditors

K. N. Gutgutia & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that their re-appointment, if made, shall be within the limits laid down in Section 224 (1B) of the Companies Act, 1956.

Directors

On November 3, 2009, Mr. S. N Singh retired as an Executive Director of the Company. In his association for 28 years, he held different positions in the Company and made remarkable contributions in its evolution and growth.

In accordance with the Articles of Association of the Company, Mr. Shyam S. Bhartia, Mr. Arabinda Ray and Mr. Surendra Singh retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Dr. Inder Mohan Verma and Mr. Shardul S. Shroff were appointed as Additional Directors and hold office upto the ensuing Annual General Meeting.

Dr. Inder Mohan Verma, a professor in the Laboratory of Genetics and American Cancer Society at Salk Institute, California, is one of the world's leading authorities on the development of viruses for gene therapy vectors. He currently holds the Irwin and Joan Jacobs Chair in Exemplary Science and is also the director of the Laboratory of Genetics.

Mr. Shardul S. Shroff, a Corporate Attorney, has extensive experience in areas of infrastructure, projects & project finance, privatisation and disinvestment, mergers and acquisitions, joint ventures, banking and finance, capital markets and commercial contracts. He is the Managing Partner of reputed law firm, Amarchand & Mangaldas & Suresh A Shroff & Co.

Notices under Section 257 of the Companies Act, 1956 have been received from members, proposing Dr. Inder Mohan Verma's and Mr. Shardul S. Shroff's candidatures as Directors.

Directors' Responsibility Statement

In compliance of Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company, based on the representation received from management, confirm:

- that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2010 and of the profit or loss of the Company for the year ended March 31, 2010.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors had prepared the annual accounts on a going concern basis.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required to be made pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988, is given in **Annexure B** and forms part of this Report.

Employees

The particulars of employees, as required under Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in **Annexure C** and form part of this Report.

Corporate Governance

A separate section on Corporate Governance is attached to this Report as **Annexure D**. A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreements with Stock Exchanges is enclosed as **Annexure E**. A certificate from the Chairman & Managing Director that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2010 is attached as **Annexure F**. CEO/CFO certificate is enclosed as **Annexure G**.

Management Discussion & Analysis

Notes on Management Discussion & Analysis of the financial position of the Company have been given separately and form part of this Report.

Corporate Sustainability Report

Your Company, being committed to address environmental issues and discharge its corporate social responsibility, is publishing for the eighth year in a row, Corporate Sustainability Report, duly audited by Ernst & Young, and conforming to Global Reporting Initiative Guidelines. The Report is being mailed to all our shareholders.

Risk Management

Your Company has several risk factors which could potentially impact its business objectives, if not perceived and mitigated in a timely manner. With an effective risk management framework in place, the Company looks at these risks as challenges and opportunities to create value for its stakeholders. With its established processes and guidelines in place, combined with a strong oversight and monitoring system at the Board and senior management levels, we believe we have a robust risk management strategy in place.

Our senior management team sets the overall tone and risk culture of the organisation through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures. As an organisation, we promote strong ethical values and high levels of integrity in all our activities, which in itself is a significant risk mitigator.

With our growth strategy in place, risk management holds a key to the success of our journey of continued competitive sustainability in attaining its desired business objective.

A detailed note on Risk Management is given as part of "Management Discussion & Analysis".

Human Resource Management

As of March 31, 2010, we had 5,950 employees including those in our Subsidiary companies.

As of March 31, 2010, all of our employees at our manufacturing plants at Samlaya, Nira, Gajraula, Nanjangud, Spokane and Montreal, were members of unions or had collective bargaining capability. We enjoy cordial relations with our employees and there have been no instances of major strikes, lockouts or other disruptive labor disputes.

We provide various benefits to our employees, such as subsidised interest payment on housing loans, housing for certain of our employees at our Gajraula and Nira plants, funding for schools for our employees' children, and healthcare coverage. We provide a provident fund for employees' retirement. We also provide a superannuation plan for employees above a certain level. The wages and benefits of our unionised employees are generally established by collective bargaining agreements of three-year duration.

We have several initiatives to train and develop employees in building skills and capabilities. The training activities are broadly grouped under five areas with a focus on functional requirements or generic skills enhancements: marketing skills, behavioral skills, information technology, environmental awareness training, health and safety, and manufacturing or technical skills enhancement training.

A detailed note on HR policies is given in the "Management Discussion & Analysis".

Awards and Accolades

During the year 2009-10, the Company won the following:

- NDTV Profit Business Leader of the Year 2009 Award as the Best Pharmaceutical Company
- PHD Chamber Annual Excellence Award 2009 - for Good Corporate Citizen
- Corporate Excellence Award as the best pharma company from Amity University
- Industry Excellence Award 2009 from Institute of Engineers India, Kolkata
- Best Contract Research Manufacturing Organisation of the Year 2009 Award by Frost and Sullivan.
- ET - IMEA 2009 Platinum Award in the Pharmaceutical category given to API facility at Nanjangud by Frost & Sullivan.
- Acharya PC Ray Award for Development of Indigenous Technology-4DMAP
- Certificate of Appreciation for successful implementation of HIV/AIDS programme from International Labour Organisation (ILO).

DIRECTORS' REPORT

Certifications

Your Company follows several externally developed initiatives in the economic, environmental and social areas. Facilities of the Company at Gajraula, Nira, Savli and Nanjangud are ISO 9001:2000 certified for Quality Management System. These manufacturing facilities are also ISO 14001 certified for Environmental Management System. For Occupational Health and Safety at work place, the manufacturing facilities are also certified to OHSAS 18001.The locations of Gajraula, Nira and Savli are certified for Integrated Management System (IMS).

Dosage Forms facility at Roorkee follows Good Manufacturing Practices (GMP) as per World Health Organisation (WHO) specifications in manufacturing and testing of pharmaceutical products and hence has been granted WHO GMP certificate by the Drug Licensing and Controlling Authority, Uttarakhand. The facility is also approved by UK-MHRA (UK- Medicines and Healthcare Products Regulatory Agency) to export drugs in European Market.

Nanjangud plant has got US FDA (United States Food & Drug Administration) approval for exporting certain products in US market, AFSSAPS (Agence Francaise de Securite Sanitaire des Produits de Sante -The French Health Products Safety Agency) and GMP approval for certain products and PMDA (Pharmaceuticals and Medical Devices Agency, Japan) for exporting Risperidone HCl into the Japanese market.

Investor Services

In its endeavor to improve investor services, your Company has taken the following initiatives:

- With a view to communicating on a real time basis, your Company has been e-mailing to the shareholders, quarterly financial results, press releases and other similar communications soon after they are sent to the stock exchanges.
- For effective communication with shareholders, during the year, the Company also started emailing Annual Report, Corporate Sustainability Report and Notice of Annual General Meeting to shareholders on their email IDs as available, in addition to statutory physical mailing.
- The Investor Section on the website of the Company www.jubl.com has been revamped and enlarged and is more user friendly now.
- A dedicated e-mail ID viz. investors@jubl.com for sending communications to the Company Secretary has been made effective. Members may lodge their complaints or suggestions on this e-mail as well.
- The Company has been mailing feedback forms to investors, annually, so as to bring about improvement in service level based on responses received. The Company has also placed an online Investor Feedback Form on its website www.jubl.com under the sub-head "Forms" under the head "Investors". This form can be submitted electronically.

Acknowledgments

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government Authorities. Your Directors thank the Shareholders, Private Equity Investors, Financial Institutions, Banks/other lenders, Depositors, Customers, Vendors and other business associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels, which has continued to be our major strength.

For and on behalf of the Board

Place : Noida
Date : May 10, 2010

Shyam S. Bhartia
Chairman & Managing Director

ANNEXURE A

DETAILS AS PER REGULATION 12 OF SEBI (ESOP & ESPS) GUIDELINES, 1999

a)	Options granted during 2009-10	41,523
b)	Options granted upto March 31, 2010	754,250
c)	Pricing formula	Market price of share as on the date of grant, as per SEBI Guidelines.
d)	Options vested upto March 31, 2010	314,018
e)	Options exercised upto March 31, 2010	170,248
f)	Total number of shares arising as a results of exercise of options upto March 31, 2010	851,240 Equity Shares of ₹1/- each.
g)	Options lapsed upto March 31, 2010	218,671
h)	Variation of terms of options upto March 31, 2010	See below

Modifications made on 4th July, 2008:

i) The vesting period for the options granted upto 28th August 2009 was accelerated so that 10% of the Options vest on the 1st Anniversary of the Grant date and 90% vest on 2nd Anniversary of the Grant date subject to certain lock-in provisions. Summary of vesting and lock in provisions is given below:

Vesting Schedule (with Lock in)

Applicable for grants made upto 28th August 2009

Vesting Date	% of Options scheduled to vest	Lock-in Period
1 year from grant date	10	Nil
2 years from grant date	15	Nil
2 years from grant date	20	1 year from vesting date
2 years from grant date	25	2 years from vesting date
2 years from grant date	30	3 years from vesting date

ii) Modification carried out to explicitly provide for recovery of Fringe Benefit Tax from the respective employees in respect of the exercise of Stock Options by them, in terms of Section 115WKA of the Income Tax Act, 1961.

Modification made on 26th November 2008:

Jubilant Employees Welfare Trust was constituted, for the purposes of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate / transfer these shares to eligible employees of the Company, on such terms and conditions as specified under the Jubilant Employees Stock Option Plan 2005.

Modification made on August 28, 2009:

The options granted after 28th August, 2009 will vest gradually over a period of 5 years from the grant date, without any lock in provisions. Summary of vesting and lock in provisions is given below:

Vesting Schedule (without Lock in)

Applicable for grants made after 28th August 2009

Vesting Date	% of Options scheduled to vest	Lock-in Period
1 year from grant date	10	Nil
2 years from grant date	15	Nil
3 years from grant date	20	Nil
4 years from grant date	25	Nil
5 years from grant date	30	Nil

DIRECTORS' REPORT & ANNEXURE TO THE DIRECTORS' REPORT

i) Money realised by exercise of options upto March 31, 2010	Received by the Company as subscription for allotment of 114,835 shares- ₹ 23,170,959 Received by Jubilant Employees Welfare Trust on transfer of 736,405 shares- ₹ 148,260,419 TOTAL - ₹ 171,431,378
j) Total number of options in force upto March 31, 2010	365,331
k) Employee-wise details of options granted during 2009-10 to:	
i) senior management personnel;	Dr. Jagdish Kestur Rao - 6450 Options
ii) any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year;	Mr. Vinod Kumar Trivedi - 3500 Options Mr. Biswajit Mitra - 3500 Options Mr. Virendra Kumar Bansal - 3500 Options Mr. T N L V Rao - 2377 Options Mr. S.S. Sahrawat - 2300 Options
iii) identified employees who are granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL
l) Diluted earning per share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard AS-20.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under "Jubilant Employees Stock Option Plan 2005". The stock based compensation cost as per the intrinsic value method for the financial year 2009-10 is NIL.
m) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	If the employee compensation cost was calculated as per the fair-value of options based on Black Scholes methodology, read with Guidance Note on "Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India, the total cost to be recognised in the financial statements for the year 2009-10 would be ₹ 33.76 million. The effect of adopting the fair value method on the net income and earnings per share is presented below. Pro Forma Adjusted Net Income and Earnings Per Share:

Particulars	₹ in million
Net Income	**3,631.00**
As Reported	
Add : Intrinsic Value Compensation Cost	Nil
Less : Fair Value Compensation Cost	33.76
Adjusted Pro Forma Net Income	**3,597.24**
Earnings Per Share of ₹ 1 each	
Basic (In ₹)	
As Reported	24.60
Adjusted Proforma	24.38
Earnings Per Share of ₹ 1 each:	
Diluted (In ₹)	
As Reported	21.24
Adjusted Pro Forma	21.04

n) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock options	(i) Where exercise price equals the market price of the stock options: – Weighted average of exercise prices of options: ₹ 219.07 – Weighted average of fair values of options: ₹ 104.05 (ii) Where exercise price exceeds the market price of the stock options: Not applicable (iii) Where exercise price is less than the market price of the stock options: Not applicable
o) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:-	The fair value has been calculated using the Black Scholes Option Pricing Model.
i) date of grant	October 22, 2009
ii) risk-free interest rate,	7.78%
iii) expected life,	6.75 years
iv) expected volatility,	39.14%
v) expected dividends, and	0.62%
vi) the price of the underlying share in market at the time of option grant.	221.60

Note: Each option entitles the holder to acquire 5 equity shares of ₹1 each.

ANNEXURE B

DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

(a) Energy Conservation Measures Taken

- Energy conservation by high temperature refluxing in distillation columns
- Energy conservation by heat recovery from flash steam
- Rationalisation of steam pressure to create additional extraction steam demand for increasing power generation
- Energy recovery from continuous blow down of HP boilers
- Installation of energy efficient lights in processing & non processing area
- Installation of temperature controllers for cooling tower fans in plants and synchronising the hours of cooling tower circulation pumps
- Optimisation of air usage in spray drier
- Installation of Variable Frequency Drive on Dryer ID fan, centrifuge, ribbon blender & hammer mill blower
- Installation of soft starter for brine refrigeration compressor systems
- Installation of variable frequency drives for belt conveyors and pumps

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

- Installation of thermo compressor for increasing power generation
- Installation of de super heater to recover the superheat of extraction steam for steam turbine
- Reduction in power consumption of ash handling plants
- Reduction in steam consumption in ethyl acetate plants
- Reduction in power consumption of acetic anhydride plants
- Flash steam recovery from steam condensate in plants
- Utilisation of flash steam at ATFD/stripper by installing thermo compressor
- Replacement of V-belt with flat belt for brine refrigeration systems
- Installation of variable frequency drive (VFD) motors in place of conventional motors to save energy

Expected investment in above initiatives is ₹ 52 Million.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- Reduction in steam and power consumption norms
- Reduction in steam & power generation cost
- Improved consistency in production in all plants

1. Saving due to (a) conservation of energy: ₹ 87 million per annum, approx.
2. Saving due to (b): ₹ 84 million per annum, approx.

ANNEXURE TO THE DIRECTORS' REPORT

(d) Total Energy Consumption and energy consumption per unit of production

FORM A

A. Power & Fuel Consumption

			2009-10	2008-09
1. Electricity				
A. Purchased				
i)	Units	KWH	**46,760,660.42**	51,568,941.00
ii)	Total Amount	₹/Million	**230.96**	244.69
iii)	Rate / unit	₹/KWH	**4.94**	4.74
B. Own Generation				
–	Through DG			
i)	Units	KWH	**8,436,959.00**	32,290,885.00
ii)	Unit per litre of RFO/LDO	KWH/LTR	**3.58**	3.54
iii)	Cost / unit	₹/KWH	**7.27**	7.61
–	Through Steam Turbine Generator *			
i)	Units	KWH	**130,657,348.00**	120,077,060.00
ii)	Units per MT of Steam	KWH/MT	**421.36**	470.57
iii)	Cost / unit	₹/KWH	**2.30**	2.03
2. Coal**				
Quantity		MT	**358,358.44**	343,163.97
Total Cost		₹/Million	**1,055.78**	1,022.98
Average Rate		₹/MT	**2,946.16**	2,981.04
3. Furnace Oil				
Quantity		KL	**25,036.87**	17,316.70
Total Cost		₹/Million	**701.30**	456.49
Average Rate		₹/KL	**28,010.50**	26,361.46
4. Others/Internal Generation				
Internal Generation - Biogas				
Quantity		NM^3	**5,542,460.00**	51,252,862.00
Total Cost ***		₹/Million	**3.17**	27.17
Average Rate		₹/NM^3	**0.57**	0.53

* Steam is produced in boilers using coal, fuel and gas.

** E grade coal is used for power generation and C/D grade coal is used for steam generation.

*** No raw material cost as it is produced from waste water only.

B. Consumption per Unit of Production

		2009-10	2008-09
Pharmaceuticals & Life Science Products			
Electricity	KWH/MT	**367.79**	316.78
Steam	MT/MT	**3.71**	3.15
Furnace Oil	LT/MT	**57.98**	18.04
Bio Gas	NM^3/MT	**10.20**	57.29
Pharmaceuticals & Life Science Products (Dosage)			
Electricity	KWH/NO.	0.02	0.03
Steam	MT/ NO.	0.00	0.00
Furnace Oil	LT/ NO.	0.00	0.00
Bio Gas	NM^3/ NO.	–	–

		2009-10	2008-09
Agri & Performance Products			
Electricity	KWH/MT	55.96	59.77
Steam	MT/MT	0.03	0.03
Furnace Oil	L/MT	3.46	4.04
Bio Gas	NM^3/MT	1.31	5.07

The reason for variation in consumption of power and fuel from standard of previous year is that the Light Diesel Oil consumption has gone up due to non-availability of Biogas because of non-operation of distillery.

B. Technology Absorption

(a) Research and Development (R & D)

The Company has R&D Centres in India at Noida, Gajraula, Nanjangud, Ambernath and Samlaya. The Company has 415 R&D Employees out of which 82 are doctorates and others are post graduates and graduates. R&D supports the activities of various businesses through new product and process development, process optimisation, absorption of technology and establishing the technology on commercial scale. R&D is a focal point for continuous improvements in the existing processes throughout the life cycle of the product.

1. Specific areas where company carries out R&D:

(i) Active Pharmaceutical Ingredients and Dosage Forms

- Non-infringing Process development of generic Active Pharmaceutical Ingredients (APIs)
- Addressal of optimum PolyState Form of generic APIs
- Non-infringing process development of generic high potency oncology APIs
- Value creation in existing APIs through process improvement
- Development of chiral molecules through chemical and biological process
- Creation of intellectual property through development of creative synthetic routes
- Development of generic solid oral dosage forms for Human and Veterinary use which meets the Global Regulatory requirements
- Development of Novel Drug Delivery System
- Creation of intellectual property through development of non-infringing formulations
- Development of new validated analytical methods for non-compendia products and sending them to Pharmacopoeial committee for inclusion in the Pharmacopoeia
- Competent Regulatory team focusing on electronic submissions in Regulated and Emerging markets

(ii) Biotechnology

- Bioethanol
- Microbial processes for the treatment of industrial effluents
- Bio composting

(iii) Fine Chemicals

- Product/process developments in the area of pyridine and its derivatives and related heterocyclic chemistry
- Development of advance heterogeneous catalysts
- Extension of chemistry skills to non-heterocyclic compounds
- Value creation in existing key products through process improvements / process intensification
- Chiral compounds
- Technology development of vitamins, especially B-3

ANNEXURE TO THE DIRECTORS' REPORT

(iv) Custom Research and Manufacturing Services (CRAMS)

- Process development & process optimisation for Innovator, Biotech & generic Pharmaceutical companies on FTE and Molecule basis, by providing creative chemical solutions
- Analytical protocol development service on FTE and Molecule basis
- Small-scale exclusive custom synthesis for pre-clinical and clinical studies

(v) Performance Chemicals

- Development of speciality polymers, including food polymers
- Development of ethoxylates & emulsifiers
- Development of new latexes based on Butadiene chemistry, including 2 Vinyl Pyridine Latex
- Development of animal health care products

2. Benefits derived as a result of the above R&D

- Strong position in generic based businesses in regulated markets
- During the year, 6 Abbreviated New Drug Applications (ANDAs) were filed with the USFDA and 2 ANDAs approvals received and expecting 1 more Approval in this year. 8 EU MA's were filed and 4 EU MA's approvals received and we expect 3 additional EU MA's approval in this year
- 12 ANDAs and 15 EU MA's are under review with the regulatory agencies
- During the year, the Company filed 4 USDMFs (Drug Master File), 1 European DMF, 1 Canada DMF, 2 Japan DMF, 1 Korea DMF, 1 Taiwan DMF, 6 CEPs (COSs) and 5 MAAs
- Partners of choice for global pharmaceuticals and agrochemical companies
- Global leadership in select segments of our business
- Development of new products
- Generation of own IPRs to provide competitive edge and during the year 12 Process Patents were filed and 4 Process Patents granted for Chemicals and Life Science Ingredients
- Major growth in export of our products
- Competitiveness in cost and quality
- Effective effluent management

3. Future Action Plan

- Process development for identified Active Pharmaceutical Ingredients and high potency oncology products
- Process development for identified dosage forms
- Novel Drug Delivery System research
- Process development of new derivatives of Pyridine and related heterocyclic chemicals
- Process development for non-heterocyclic chemicals leveraging existing skills
- Development of New Vitamins technologies
- Bio transformations for the manufacture of fine and specialty chemicals
- Synthesis of chiral compounds
- Improvement in the fermentation technology and effluent management
- Development of new products in the field of polymers and adhesives for application in coating, textile, footwear, paper, auto, electronic and other industries
- Explore possibilities for new products in the field of Food polymers
- Implementation of lean six sigma in R&D's for enhanced efficiency

4. Expenditure on R&D **(₹/million)**

		2009-10	*2008-09*
(a)	Capital	**597**	1,227
(b)	Recurring	**283**	285
(c)	Total	**880**	1,512
(d)	Total R&D expenditure as a percentage of turnover	**3.60%**	6.22%
(e)	R&D expenditure as a percentage of Pharmaceuticals & Life Science Products turnover	**4.34%**	12.24%

(b) Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

   Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close co-ordination to seamlessly scale-up the processes to commercial scale without losing on the efficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhancing the efficiencies of our manufacturing plants to provide better services to our customers.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

   The innovation in all the areas of our business results in new and more efficient products, which helps in improvement of the performance of our customers. Our R&D is grounded in business reality and we measure the performance of our R&D through the new product launches over the last five years and their contribution to the net sales of our Company.

   These continuous efforts result in more cost effective and improvement in our service to the customers.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year): Not Applicable.

Technology Imported	*Year of import*	*Has technology been fully absorbed?*	*If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.*
—————————— NIL ——————————			

C. Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans

- Activities relating to exports

  Jubilant achieved 2% export growth over the previous year. During FY 2010, exports were ₹ 11,219 million, as compared to ₹ 10,977 million in the previous year. Exports contributed 45.9% of the net sales of the Company during FY 2010, as compared to 45.2% during the previous year.

  Exports focus continues in tandem with the corporate philosophy of focus on Life Science Business. This segment contributed 82.9% of total sales during FY 2010, as compared to 77.5% during FY 2009.

- Initiatives taken to increase exports

  Your company performed exceedingly well in its exports to China and the exports grew by 31% during FY 2010 as compared to the previous year. The company's exports to China were ₹ 3,441 million during FY 2010, as against ₹ 2,632 million of the previous year. The company during the year expanded its geographical base with its entry in new markets of East Africa, North Africa and East European countries. The company continued its focus on Customer Satisfaction, through a review of "Customer Satisfaction Index" during the year.

- Development of new export markets for products and services

  Several new customers were added within the existing strong markets of Asia Pacific and Middle-East. Your Company initiated several key discussions with large Pharmaceutical companies for development of intermediates in markets of South Korea and Japan.

  The CRAMS business contributed around 78% of the total export sales of the Company.

  The Company also enhanced its presence and widened the customer base in its strong export markets of Europe in the area of Fine Chemicals, CRAMS and Acetyls.

  Your Company initiated and sustained Bulk Exports of its Acetyls products which cater to major end use segments in Europe of Packaging, Printing ink, Starch Derivatives and Acetate Tow manufacturing.

  Your Company enhanced its presence in core activity of Fine Chemicals and CRAMS by adding new products to the existing supply portfolio to the global pharmaceutical and agro chemical majors. The Company has developed several key intermediates which are being used in advanced stage clinical trials paving the way for good future sales in the coming years. The Company has been accepted as a responsible and reliable supplier of intermediates and services to Global Pharmaceutical and Agrochemical majors which has resulted in exclusive manufacturing and development contracts.

ANNEXURE TO THE DIRECTORS' REPORT

Persistent focus and efforts have resulted in initial breakthroughs with major pharmaceutical companies in USA and Europe.

- Export Plans

  Going forward, the Company intends to keep its focus on being pharmaceuticals major across the established markets, and introduce number of products in the recently developed markets. Your Company would strive to sustain the existing business with its focus continuing on Advance Intermediates in China. Our endeavor would be to explore markets for CRAMS business in China, Japan, Korea and East Europe. Your Company would emphasize on giving customised service and being reliable partner, as product's quality is already well established in the other geographies.

- Approach towards Foreign Exchange Risk Management

  Your Company managed its foreign exchange risks by entering into forward contracts to ensure that there is a high degree of certainty about the exchange rates at which actual transactions shall be recorded.

(b) Total foreign exchange used and earned

(₹ million)

	2009-10	*2008-09*
Foreign exchange used	**6,637**	5,217
Foreign exchange earned	**11,015**	10,784

ANNEXURE C

STATEMENT U/S 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employer	
								Designation	Company Name
A.	EMPLOYED FOR FULL YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH IN AGGREGATE WAS NOT LESS THAN ₹ 2,400,000								
1	Agarwal Dr Ashutosh	CSO-Chemicals & Life Science Ingredients	M. Sc., Ph. D.	30	20-Aug-98	52	14,313,582	DGM - Organic Chemical Business	Ballarpur Industries Ltd
2	Agrawal Neeraj	President API & Dosage Forms	B. Tech. (Elect.), MBA	13	2-Jun-03	37	9,984,162	Business Strategy	Mckinsey & Company
3	Ahuja Seema Shah	VP-Corporate Marketing & Communication	PGD- Public Relation, PGD - Mktg. & Advt., B.A., Diploma in Hotel Management, Catering & Nutrition	21	6-Oct-08	44	4,034,022	Senior General Manager & Head-Corporate Communication	Lupin Pharma Ltd
4	* Bang Shyamsundar	Executive Director-Manufacturing & Supply Chain Operation	B. Tech., M. Tech.	40	1-Feb-97	59	15,379,316	President	Enpro India Limited
5	Bansal Virendra Kumar	VP & Chief of Information Technology	M. Sc. (Elec.)	29	19-Nov-07	55	4,052,027	Head- Corporate IT	Bajaj Hindustan Limited
6	Bhardwaj Dr Rashmi	AVP-Tech & Market Development	Ph. D. - Polymer Tech., M.E. - Polymer, M. Sc. (Chem.)	16	1-Jul-08	42	3,516,983	GM- Pol. Tech & Appl. Solu.	DCM Shriram Consolidated Ltd
7	Bhaskar Rajesh	Head-R&D (Dosage Forms)	M. Pharma.	25	26-Jul-04	50	8,251,887	Senior Sales Executive	Amitex Polymers Pvt Ltd
8	Bola Ravindra Kamath	AVP-Environment Health & Safety	M. Sc., Diploma in Inds. Pollution Control	16	4-Feb-08	55	3,331,052	GM-EHS	Ranbaxy Laboratories Ltd
9	Bose Ashok	Deputy General Manager- Liaison	B.A., Diploma in Marketing Mgnt.	42	10-Dec-84	62	3,145,160	Office Assistant	Delhi Cloth Mills
10	Chakraborti Krishna Kamal	Head-Corporate Quality Assurance	M. Pharma., Ph. D.	21	5-Oct-05	51	3,417,429	GM - Quality Assurance	Panacea Biotec Ltd
11	Chatterjee Joyeeta	AVP-Organizational Development	MBA	16	9-Feb-09	39	3,542,128	Director-HR Global Multimedia Applications	Nortel Network Pvt Ltd
12	Chaudhary Praveen	AVP - Projects (Dosage Forms)	B.E.	20	21-Nov-05	44	3,069,213	Sr. Manager - Project	Ranbaxy Laboratories Ltd
13	Das Ashok Kumar	AVP - Legal	B. Sc., LLB	30	14-Nov-07	55	3,392,543	Legal Manager - Delhi	Hindustan Unilever Ltd
14	Dixit Mukul	Sr VP - Project Execution	B.E. (Chemical)	25	24-Jul-07	47	4,918,185	ED - Operations	Chem Plast Sanmer Ltd
15	Doshi Rajesh Rajanibhai	VP - Operations	B.E.	24	5-Jan-09	49	3,152,752	Head- Chemical Business	Bajaj Hindustan Ltd
16	Ghose Ashok Kr	President-Corporate Social Responsibility	M.E.	40	16-May-97	65	5,717,938	Additional Director-Environment	Steel Authority Of India Ltd
17	Gupta Amit	AVP - Engineering	B.E. (Mech. Engg.)	31	23-Jul-03	53	4,094,569	GM- Engineering	Indo Rama Synthetics (India) Ltd
18	Gupta Kulbhushan	Head of Bussiness Excellence & Six Sigma	B.E.	15	18-Aug-03	38	7,691,187	Quality Leader Training Development	IGE Ltd
19	Gupta Praveen Kumar	Head-Direct Taxation	CA, CS	14	25-Jan-05	36	4,102,383	DGM-Taxation	Ballarpur Industries Ltd
20	Gupta Rajneesh Kumar	Corporate Controller (Subsidiaries)	B. Com. (Hons.), CA	15	8-Feb-06	41	2,720,189	Senior Manager-Finance	Xerox India Ltd
21	Jain Ambuj	Controller -Financial Market Risk	PGDM (IIM Ahmedabad)	21	12-Aug-02	42	3,588,951	Sr. Manager (Corporate Finance)	Maruti Udyog Ltd
22	Jain Ashok Kumar	AVP -Production	B. Tech. (Chemical)	29	3-Dec-97	51	3,619,200	DGM-Quality & Development	J K Synthetics Ltd
23	Jain Lalit Kumar	Company Secretary	M. Com., CS, LLLB	26	25-Oct-04	55	3,975,403	GM - Company Law	Escorts Ltd
24	Jain Mahesh	AVP -Divisional Accounts	B. Com., CA, CS	18	19-May-08	47	3,152,464	General Manager-Accounts	Panacea Biotech Ltd
25	Jayendran R	Business Unit Head-Adhesives	M.A., PGDM	21	1-Jan-99	47	3,575,924	Sales Manager	India Emulsion Pvt Ltd
26	Kalsi Paramjit	AVP -Supply Chain	M.A., MBA	34	21-Oct-89	58	3,577,998	Executive Assistant	Ballarpur Industries Ltd
27	Kanchi Subodh Ranganath	Head-Medical Affairs	MBBS, MD	11	15-Apr-08	39	2,496,281	Senior Medical Advisor	Biocon Ltd
28	* Khanna Dr Jag Mohan	Executive Director - Science & Technology	M. Sc., Ph.D.	44	16-Aug-02	69	18,206,533	President (R & D)	Ranbaxy Laboratories Ltd
29	Khare V P	Sr. VP - International Sales	B. Sc., Diploma in Export Marketing	35	15-May-98	53	6,056,428	Deputy General Manager	Rajasthan Petro & Synthetics Ltd
30	Khullar Manoj	Growth Unit Head (Vitamins)	B.E., MBA	17	8-Mar-04	39	3,094,802	Sales Manager	Honeywell India
31	Kulshrestha Vimal Deep	Business Unit Head-Ethnol & Speciality Gases	B. Tech. (Chemical Engg.)	23	28-Jun-95	45	4,434,139	Assistant Manager - Poly	Modipon Fibers Company
32	Kumar Anil	President-Projects	B. Tech. (Chemical)	34	24-Jan-06	57	8,596,982	President-Technical	Bajaj Hindustan Ltd
33	Kumar Dr Pramod	Associate Head - R&D (API)	M. Sc., Ph. D.	16	19-Sep-05	44	2,776,389	Group Leader	Ranbaxy Laboratories Ltd
34	Kumar Poonam	Head-Analytical	Bachelor of Applied Sciences In Instruments	16	1-Nov-04	37	3,427,633	Senior Research Scientist	Ranbaxy Laboratories Ltd

ANNEXURE TO THE DIRECTORS' REPORT

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employer: Designation	Previous Employer: Company Name
35	Malhotra Ashwani	Controller-Corporate Accounts	CA	24	1-Dec-86	48	3,318,409	Article Trainee	K N Gutgutia & Company
36	Mathur Puneet	Business Unit Head-Solid PVA	M. Sc., MBA	22	20-Dec-01	49	4,691,843	National CSS Manager	Coca Cola India
37	Mitra Biswajit	VP - Operations	B. Sc. (Chem. Hons.), B. Tech. (Chem.), Diploma Industrial Safety	22	20-Sep-07	48	4,934,708	Senior Director	Dr Reddy's Laboratories Ltd
38	Mittal T K	General Manager-Maintenance	B.E., M.E.	28	6-Jun-84	52	2,542,972	Assistant Engineer	J K Synthetics Ltd
39	Mukherjee Ananda	CEO - Polymers	B.E. (Mech.), PGDM (Mktg.)	26	6-May-05	51	11,857,789	Vice President-International Business	Havell's India Ltd
40	Mukherji Dr Gour	Head-Novel Drug Delivery Services	Ph. D.	23	1-Mar-05	50	6,263,233	Vice President	Wockhardt Research Center
41	Mukundan S	VP - Logistics	B. Sc., MBA	16	16-Mar-09	39	3,946,601	Associate Director	Xerox Corporation
42	Nataraj M N	General Manager - Projects	B.E. (Chemical)	22	13-Feb-08	45	3,131,130	Chief Engineer	Astrazeneca India Pvt Ltd
43	Pillai Ramesh Kumar	Head-Regulatory Affairs & Comp.	M. Sc., PG Diploma	22	2-Apr-04	45	3,003,111	Senior Manager	Ranbaxy Ltd
44	Pimple Ramesh Madhukar	Head- Regulatory Affairs (Formulations)	B. Sc., PGDIP (Analytical Chem.), PGDIP (Chem. Tech.)	27	1-Mar-07	49	2,833,122	General Manager-IDRA	Zydus Cadilla Healthcare Ltd
45	Pradhan Lalit Kumar	VP - Operations	B. Pharma, M. Pharma	18	15-Jan-07	51	5,017,065	Associate- Operation V P	Wockhardt Ltd
46	Rambal Ashok Kumar	Chief of Manufacturing	B.E.	23	1-Sep-06	57	5,444,513	Vice President -Manufacturing	Solaris Chemtech Ltd
47	Rao Dr Jagdish Kestur	Sr. VP - Latex	M. Sc., Ph. D.	20	9-Apr-08	49	5,552,848	Head Operation	Henekel Terson India Ltd
48	Rao T Venkataswara	Business Unit Head-Fine Chemicals	B. Sc., PGDBM	27	17-Jul-86	52	5,549,935	Sales Officer	Punjab Alkalies & Chemicals Ltd
49	Ray Dr. M S	Chief Medical Superintendent	MBBS	33	15-Sep-82	60	3,813,806	Medical Officer	R L B M Hospital
50	Sahoo Rabindra Kumar	Head-Finance & Accounts	M. Com., CWA	18	25-Jul-05	42	2,646,635	Head-Accounts	Bayer Crop Science Ltd
51	Sahrawat Samai Singh	Sr. VP - HR	MSW	31	3-Apr-89	55	5,542,137	Assistant Manager	Hero Honda Motors Ltd
52	Sankaraiah R	Executive Director - Finance	B. Sc., FCA	26	9-Sep-02	51	23,053,879	GM - Finance	SRF Limited
53	Saxena Dr Yogendra Kumar	Chief of EHS & Sustainability	B. Sc., B. Tech., M. Sc. (Tech.), PGDM, Ph. D.	32	19-Dec-08	55	5,268,857	Senior Vice President-Corporate Environment	Ambuja Cement Ltd
54	Sengar Chandan Singh	President-Acetyls & Ethanol	B. Sc., MBA	24	13-Jul-88	46	6,333,235	Assistant Officer	JK Synthetics Ltd
55	Sharma Arun K	Head - Treasury	B. Sc., CA	21	27-Aug-03	44	6,941,536	GM - Treasury & Financial Resources	Escorts Ltd
56	Sharma Devinder	Head-Indirect Taxation	MBA, LLB	20	6-Jan-03	54	3,819,069	Senior Manager	Price Water House Coopers
57	Sharma Krishan Kumar	General Manager-Environment Health & Safety	P G Diploma-Intermediates & Dye, Certificate Course	21	17-May-06	45	3,058,790	Senior Manager-EHS	Ranbaxy Laboratories Ltd
58	Sharma Pramod	Business Excellence Co-ordinator	MBA, CPIM	8	7-Nov-08	37	3,197,417	Head -SCM	Delphi Automotive Systems Pvt Ltd
59	Singh Parminder	Sr. V P & Global CIO	AMIME (Mech.), MBA	22	12-Jan-09	43	4,455,682	Vice President	Genpact Ltd
60	Soni Manoj Devendra	Chief of Supply Chain	B. Tech. (Mechanical)	25	20-Jul-07	48	5,453,961	GM - Supply Chain	New Holland Tractors
61	Srivastava A P	Sr. V.P. -Corporate Affairs	B.A.	37	17-Nov-90	64	5,737,530	Manager	Reliance Industries Ltd
62	Srivastava Rajesh Kumar	CEO-Fine Chemicals & CRAMS	B. Tech., MMM	23	19-Aug-00	45	13,967,519	Marketing Manager	Ranbaxy Fine Chemicals Limited
63	Tandon L R	Sr. V P - International Sales	B. Sc. (Engg.), MBA	35	1-Mar-93	58	6,315,910	Assistant General Manager	Mohan Exports Ltd
64	Tiwari Neeraj	V P - Projects	B. Tech. (Chemical)	23	7-Dec-89	45	3,711,701	Engineer	Hindustan Aluminium Corporation Ltd
65	Trivedi Vinod Kumar	V P - Manufacturing	B. E. (Chemical)	30	4-Jul-07	50	5,326,339	Head- Operations & Project Director/Head Projects	Kanodia Chemicals & Industries Limited
66	Varma S K	AVP -Engineering	Diploma-Mechanical Engineer	35	15-May-95	58	2,725,957	Manager	Glaxo Smithkline Pharmaceuticals Ltd
67	Verma P K	Associate Head - R&D	M. Sc., Ph. D., DIAMS	23	8-May-00	47	3,947,374	GM -Technical	Hiran Orgochem Ltd
68	Verma P K	VP -Projects	B. Tech.	35	18-Apr-01	59	4,229,711	Chemical Consultant	Alembic Ltd
69	Vir Dr Dharam	AVP-IPR & Process Chemistry	M. Sc., Ph. D.	21	9-Dec-08	49	3,434,433	Associate Director-Intellectual Property	Ranbaxy Laboratories Ltd
70	Yadav Pramod	CEO-Advance Intermediate & Vitamins	B. Sc. (Tech.), MMM	23	4-Sep-95	47	14,014,236	Marketing Manager (North)	Bhansali Engg Polymers Ltd

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employer: Designation	Previous Employer: Company Name
B.	EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION WHICH IN AGGREGATE WAS NOT LESS THAN ₹ 200,000 P.M.								
1	Arora Amit	Head-Financial Planning & Analysis	CA, CWA	16	1-Feb-08	39	1,561,286	Vice President - Risk	GE Capital
2	Balakrishnan Sri Badrinath	Business Excellence Co-ordinator	B.E.	13	4-Mar-10	34	216,825	Country Champion	Schneider Electric India Pvt Ltd
3	Anil Singh Bawa	General Manager- Outsourcing	B. Sc. (Chemical Engg.), M. Sc. (Chemical Engg.)	24	6-Jun-07	51	2,303,192	Vice President	Zoom Developers Limited
4	Rajiv Babasaheb Bindage	Head-Outsourcing	B. Sc., PGDMM	27	26-Apr-07	48	2,256,538	Senior Manager	Ranbaxy Laboratories Ltd
5	Bisht Prakash Chandra	Sr. V P - Group Accounts	B. Com., CA	11	23-Apr-09	46	4,309,612	Head-Accounts	Apollo Tyres Ltd
6	Borse Vijay Sing Badhesing	AVP -Operations	B. Sc. Tech. (Petrochem)	28	1-May-99	54	4,254,129	Sr. Manager	Polychem Limited
7	Choudhary Alka Srivastava	General Manager- R & D Oncology	M. Sc., Ph. D.	15	21-Jan-10	46	539,459	Deputy General Manager	Wockhardt Research Centre
8	Das Sanjay	AVP - Divisional Accounts	B.Sc., FCA	21	14-Dec-09	45	864,356	CFO	Draxis
9	Das Vivek Ananda	General Manager -Strategy (Pharma)	PGDM (IIMA)	8	14-Dec-09	32	699,539	Associate Vice President	Ernst & Young Pvt Ltd
10	Edward M Victor James	Head-India & SAARC	B. Sc.	27	1-Feb-08	49	3,440,260	Sr. Director	Dr Reddy's Laboratories Ltd
11	Manish Gupta	Growth Unit Head- Application Polymers	B. Sc., MBA (Marketing)	17	11-Dec-06	43	2,378,799	Business Head -Strategic Accounts-Indian Subcontinent	Quest International Ltd
12	Gupta Suresh Kumar	General Manager- Accounts	CA	22	27-Apr-09	45	2,365,746	General Manager	Vedanta Aluminium Limited
13	Holkar Dr Anil Ganpatrao	Associate Vice President	M. Sc., Ph. D.	12	10-Apr-09	47	3,131,413	R & D - Head	Atul Ltd
14	Kapasi Rajiv	Head-Strategy.& Business Development	CA	15	8-Sep-03	35	5,881,994	Senior Consultant	Ernst & Young
15	Kapoor Raj Kumar	VP- Internal Audit	CA, CIA	22	28-Oct-09	46	1,705,324	Chief Internal Auditor	Dr Reddy's Laboratories Ltd
16	Kapoor Raju	President -Agrovet	MBA	28	4-Mar-99	49	3,558,020	Vice President (Agribusiness Division)	Fungicides (India) Ltd
17	Kaur Jasneet	Head Compensation & Benefits	B.A., MBA	10	12-Oct-09	33	1,356,939	HR Business Partner	Microsoft India Pvt Ltd
18	Khanna Ajay	President-Stat.& Corp. Affairs	B. Com., LLB	21	1-Jun-09	50	9,759,463	Partner	Accenture
19	Khanna Alok	AVP-Generic Dosage Forms (Radiopharma)	B. Com., P.G. Diploma (International Marketing)	21	10-Apr-09	45	1,882,161	Manager	GE Healthcare
20	Khanna Rajesh	General Manager - Business Development & Product Manufacturing	B.E., PGDM	13	2-Feb-10	38	408,748	Deputy General Manager-Marketing	Ranbaxy Fine Chemicals Ltd
21	Krishnatray Harsh Vardhan	Sr. VP - Projects	B.E.	31	21-Jul-08	53	1,264,536	Vice President	Lurgi India Company Ltd
22	Mathur Anuj	Sr VP-Management & Assurance Services	CA	19	2-Mar-09	45	884,569	Vice President-Internal Audit	PepsiCo India Holding Pvt Ltd
23	Mishra Dr Shiv Kumar	Associate Head-R&D (Biotech)	Ph. D., PG Diploma-Microbiology Biotec.	22	4-Jan-08	56	2,118,180	Vice President	Bajaj Hindustan Ltd
24	Puranik Dr Ramachandra	Head-R&D (Oncology)	B. Sc., M. Sc., M. Phil., Ph. D.	17	12-Jun-06	45	1,219,422	General Manager	Zydus Cadilla
25	Puranik Gopal P	Head-Production (Polymer)	B. Tech.	34	15-Jun-00	59	1,657,452	Production Executive	Asian Paints Limited
26	Ramnath P	Growth Unit Head-Advance Intermediates	PGDM	27	26-Mar-99	52	6,190,931	GM (Sales)	Praxaiar Carbon Dioxide Pvt Ltd
27	Roy Anurag	Growth Unit Head - Advance Intermediates & Vitamins	B. Tech., MBA	12	15-Feb-10	36	513,688	Global Strategy Analyst	BASF
28	Sehgal Kamal	General Manager - Outsourcing	B.E., MBA	16	1-Dec-09	41	973,095	General Manager	SKF India Ltd
29	Sengar Kundan Singh	Vice President - Operations	M. Pharma	24	26-Oct-09	47	1,548,714	Vice President	Aurobindo Pharmaceuticals Ltd
30	Sharma Manish	Head of Planning	B.E., MBA	13	15-Feb-10	36	971,003	Master Supply	Genentec Inc
31	Sharma Rahul	Senior Manager-Marketing Dosage Form	B. Sc., MBA	8	22-Jan-10	32	439,150	Deputy General Manager	Wockhart Limited
32	Sharma Sanjiv	Growth Unit Head - Marketing Agri	B. Sc.	16	16-Feb-09	42	525,087	Head -Agri	ITC Ltd
33	Singh Dev Kumar	Growth Unit Head - API	B. Com., MBA	14	21-Dec-09	41	736,066	Deputy General Manager	Accure Labs Pvt Ltd
34	Singh Karan Paul	Lean Six Sigma Coordinator	B. Sc.	21	17-Jul-06	43	2,740,376	Deputy Manager	Glaxo Smithkline Pharmaceuticals Ltd
35	* Singh S N	Executive Director-Chemicals	B. Sc. (Chemical Engg.)	48	14-Dec-81	72	18,426,589	General Manager	I D P Limited
36	Singh Sanjay	Head Human Resources (Global)	B. Sc., PG Diploma-PM & IR	18	23-Jun-09	42	7,734,303	Vice President-HR	Whirlpool
37	Singha Ravinder Singh	President-Dosage Forms	B. Pharma (H), MMS	24	3-Sep-07	48	3,087,498	Sr. VP & Head (International Business)	Cadila Healthcare (International - Abd)
38	Tandon Piyush	Growth Unit Head - Niche Business (API)	B.E. (H) Chem., M. Sc. (H), Eco.	15	22-Nov-04	46	1,790,171	Asstt. Vice President	Sanmar Speciality Chemical Ltd
39	Zope Dr Umesh Rewaji	Head-IPR	M. Sc., Ph. D.	14	23-Nov-09	47	1,002,601	Head Intellectual Property Rights	Alembic Limited

NOTES
1. * Employment of these are contractual. Employment of others are governed by the rules and regulations of the Company from time to time.
2. All above persons are/were full time employees of the Company.
3. None of the above employees is related to any Director of the Company.
4. No employee out of above, falls within the meaning of Section 217(2A)(a)(iii) of the Companies Act, 1956.
5. Remuneration comprises salary, allowances and perquisites/ taxable value of perquisites.

Abbreviations: CSO-Chief Scientific Officer; API-Active Pharmaceutical Ingredients; DGM-Deputy General Manager; EHS- Environment, Health & Safety; VP-Vice President; AVP-Associate Vice President; Sr. VP-Senior Vice President; CEO-Chief Executive Officer; IPR-Intellectual Property Rights

Report on Corporate Governance

ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy

Corporate Governance is both a tradition and a way of life at Jubilant.

Our Jubilant promise is: **Caring, Sharing, Growing**.

"We will, with utmost care for the environment, continue to enhance value for our customers by providing innovative products and economically efficient solutions and for our shareholders through sales growth, cost effectiveness and wise investment of resources."

This credo succinctly sums up our basic corporate governance principles as follows:

- Caring for the environment which includes caring for the society around us
- Enhancement of stakeholders value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation
- Transparency, promptness and fairness in disclosures to and communication with all stakeholders including shareholders, government authorities, customers, suppliers, lenders, employees and the community at large.
- Complying with laws in letter as well as in spirit.

Our Vision is driven by our Values, which are:

- teamwork to inspire confidence
- efficiency to create and provide best value to customers
- know how to provide innovative solutions
- delivery to provide excellent quality of products and services

The highlights of Jubilant's Corporate Governance Regime are:

- Broad based and well-represented Board with a fair representation of executive, non-executive and independent directors with 83% of the Board being non-promoters.
- Constitution of several Committees such as Audit Committee, Remuneration Committee, Investors Grievance Committee etc. for more focused attention.
- Established Codes of Conduct for Directors and Senior Management as also for other employees. Instituted Whistle-blower policy and Code of Conduct for Prevention of Insider Trading.
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling.
- Organisation wide 'Velocity' initiatives taken which include world-class improvement methodologies such as Six Sigma, Lean and World Class manufacturing.
- Exhaustive and unique system of internal controls spanning around 2000 control assertions monitored through especially designed software. The Company has voluntarily completed the documentation required as per Sarbanes-Oxley Act.
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalising risk minimisation plans.
- Regular communication with shareholders including e-mailing of quarterly results just after release to Stock Exchanges, emailing of Annual Reports and Corporate Sustainability Report, obtaining regular and also online feedback from shareholders.

- Comprehensive Corporate Sustainability Management System focussing on triple bottom-line reporting on economic, environment and society parameters as per Global Reporting Initiatives standards with a stated policy on sustainability.

The Corporate Governance practices of your Company are being acclaimed now. Your company has won the following three very prestigious global awards:

– Golden Peacock Global Award for Corporate Governance in September 2007

– Golden Peacock Global Award for Corporate Social Responsibility in February 2008

– Golden Peacock Global Award for CSR Reporting in September 2008

Jubilant is the only company to win all the three global awards. These awards recognise the best Corporate Governance practices, concern for society and environment and creation of extraordinary value for shareholders by your Company.

Standard & Poor (S&P), reputed agency of the world, launched ESG India Index 2008 wherein largest 500 NSE listed Indian companies were evaluated and ranked on Environment, Social and Governance standards. As of December 31, 2007, Jubilant was ranked at number 6 on these parameters, implying that your Company is among the top six companies in India.

During the year 2009-10, Company won the following:

- NDTV Profit Business Leader of the Year 2009 Award as the Best Pharmaceutical Company
- PHD Chamber Annual Excellence Award 2009 - for Good Corporate Citizen
- Corporate Excellence Award as the best pharma company from Amity University
- Industry Excellence Award 2009 from Institute of Engineers India, Kolkata
- Best Contract Research Manufacturing Organisation of the Year 2009 Award by Frost and Sullivan.
- ET - IMEA 2009 Platinum Award in the Pharmaceutical category given to API facility at Nanjangud by Frost & Sullivan.
- Acharya PC Ray Award for Development of Indigenous Technology - 4DMAP
- Certificate of Appreciation for successful implementation of HIV/AIDS programme from International Labour Organisation (ILO).

b) Board of Directors:

The Board comprises of twelve directors out of which eight are Non-Executive Independent Directors, two Managing Directors and two Executive Directors.

Board Meetings held during the year

During the year under review, 6 Board Meetings were held on April, 8 2009, April 28, 2009, July 14, 2009, October 22, 2009, January 21, 2010 and February 20, 2010. The composition of the Board of Directors and attendance of directors at the Board meetings, Annual General Meeting as also number of other directorships/committee memberships in Indian public limited companies are as follows:

REPORT ON CORPORATE GOVERNANCE

Name of the Director	*Attendance at Meetings*			*No. of Directorships & Committee Memberships in Indian Public Limited Companies (excluding Section 25 Companies)*	
		No. of Board Meetings			
	Last AGM	*Held during tenure*	*Attended*	*Directorships^*	*Committee memberships (including Chairmanship) ** *
PROMOTERS					
Mr. Shyam S. Bhartia @ *Chairman & Managing Director*	Yes	6	6	13	2(2)
Mr. Hari S. Bhartia @ *Co-Chairman & Managing Director*	No	6	5	13	6(2)
EXECUTIVE DIRECTORS					
Dr. Jag Mohan Khanna	Yes	6	5	4	2
Mr. S. N. Singh*	No	3	3	NA	NA
Mr. Shyamsundar Bang	Yes	6	5	2	2
INDEPENDENT DIRECTORS / NON-EXECUTIVE DIRECTORS					
Mr. Abhay Havaldar !	No	4	4	0	1
Mr. Arabinda Ray	Yes	6	5	1	1(1)
Mr. H. K. Khan	No	6	5	3	3(1)
Dr. Inder Mohan Verma***	–	1	0	1	0
Dr. Naresh Trehan	No	6	2	4	3(1)
Mr. Rahul Yadav #	No	6	3	5	2
Mr. Shardul S. Shroff****	–	0	N.A.	7	2
Mr. Surendra Singh	No	6	6	4	7(1)
Mr. Vishal Marwaha # (Alternate Director to Mr. Rahul Yadav)	No	6	2	2	4

@ Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia are related to each other, being brothers.
# Nominee of Citicorp International Finance Corporation and HPC Mauritius Ltd. - Equity Investors.
! Nominee of GA European Investments Limited - Equity Investors.
*Cessation from Directorship w.e.f. 03.11.2009 due to retirement from the Services of the Company.
^ Directorships other than Jubilant Organosys Limited.
** Committees for this purpose include Audit Committee and Investors Grievance Committee only. Committees of Jubilant are also included.
***Appointed w.e.f. 21.01.2010
****Appointed w.e.f. 15.03.2010

Board Agenda and Minutes

Regular Board meetings are held at least four times a year and maximum gap between the two meetings is not more than four months. In addition, special meetings are called as may be necessary. An annual calendar of meetings is provided to the directors in the beginning of the year, to enable them to plan their attendance at the meetings. Directors are expected to attend Board Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

The Chairman and Managing Director (CMD)/Co-Chairman and Managing Director (CCMD) of the Company from time to time invite officers and other employees of the Company to attend Board Meetings, whenever deemed appropriate.

All Directors on the Board and various departments of the Company, communicate to the Company Secretary the matters requiring approval of the Board, well in advance, so that these can be included in the Agenda for the scheduled Board Meeting.

Agenda papers are circulated to the Board, well in advance before the Board Meeting. The agenda items are inclusive but not exhaustive of the following:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.

- Quarterly results for the company and its operating divisions.
- Minutes of meetings of various committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development on the Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries or assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Applicable provisions of law are being complied with by the Company. Further, the Company has substantially complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Draft Minutes of the Board meetings are circulated to the Directors of the Company for their comments thereon and, thereafter, confirmed by the Board in their next Meeting.

c) Committees of the Board

The Board of Directors has constituted Committees of Directors with adequate delegation of powers to discharge urgent business of the Company. Committee members are appointed by the Board with the consent of individual directors. The Committees meet as often as required.

Each Committee has its own charter. The Charters of Committees set forth the purposes, goals and responsibilities of the Committees.

The various Committees are:

I. Corporate Governance Committees

- Audit Committee
- Investors Grievance Committee
- Remuneration Committee

II. Other Committees

- Finance Committee
- Compensation Committee
- Special Committees
- Capital Issue Committee

The detailed terms of reference, composition, quorum and other details of the Committees are as under:

AUDIT COMMITTEE

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external and internal auditors and review of various financial statements ensures that the interests of stakeholders are properly protected.

All members of the Audit Committee are financially literate and a majority have accounting or financial management expertise.

(i) Terms of reference:

The terms of reference of Audit Committee are the reviewing of all matters specified in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, which, inter-alia, include the following:

REPORT ON CORPORATE GOVERNANCE

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up thereon
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Reviewing the functioning of the Whistle Blower mechanism
- Reviewing the Management discussion and analysis of financial condition and results of operations
- Reviewing the Statement of significant related party transactions submitted by management
- Reviewing Management letters / letters of internal control weaknesses issued by the Statutory Auditors
- Reviewing the Internal audit reports relating to internal control weaknesses
- Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor

ii) Composition

The Committee comprises of 4 Non-Executive Independent Directors:

- Mr. Arabinda Ray (Chairman)*
- Mr. Surendra Singh
- Mr. Abhay Havaldar
- Mr. H. K. Khan

*The Chairman of the Audit Committee is having accounting and financial management expertise.

Invitees:

- Mr. Shyamsundar Bang (Executive Director)
- Dr. Jag Mohan Khanna (Executive Director)
- Mr. R. Sankaraiah (Executive Director- Finance)

The Statutory Auditors, Internal Audit firm's representative and Head of the Assurance Audit Department attend the meetings. Cost Auditors and other Executives as desired by the Committee attended the meetings as invitees.

Secretary:

- Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Audit Committee meets at least four times in a year with a gap of not more than four months between two meetings. The quorum for the meeting is either two members or one third of the members, whichever is higher.

iv) Attendance during 2009-10

The Committee met five times during the year on April 27, 2009, July 14, 2009, October 22, 2009, January 21, 2010 and February 20, 2010. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. Arabinda Ray	Chairman	5
Mr. Surendra Singh	Member	5
Mr. Rahul Yadav #	Member	0
Mr. Abhay Havaldar	Member	2
Mr. H. K. Khan	Member	4
Mr. Vishal Marwaha *	Alternate member	0

Resigned as member w.e.f. 16.03.2010
*Alternate Director to Mr. Rahul Yadav. Ceased as Alternate member on 16.03.2010.

INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee aims at redressal of shareholder complaints and overseeing investor services.

To expedite the process of share transfers, the Board of the company has delegated the power of share transfer to the Investors Grievance Committee which attends to share transfer formalities once in a fortnight.

i) Terms of reference:

The Committee approves the matters relating to:

- Transfer or transmission of shares
- Issue of duplicate share certificates
- Non-receipt of balance sheet
- Non-receipt of dividend
- Review or redressal of investors' grievances
- Other areas of investor service

ii) Composition

The Committee comprises of the following Directors:

- Mr. H. K. Khan (Chairman)
- Mr. Shyamsundar Bang
- Mr. Surendra Singh
- Mr. Jag Mohan Khanna

Secretary and Compliance Officer:

- Mr. Lalit Jain

iii) Meetings and Quorum

The Investors Grievance Committee meets once in a fortnight. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher.

iv) Attendance during 2009-10

The Committee met every fortnight, 24 times during the year. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. H. K. Khan	Chairman	24
Mr. S. N. Singh *	Member	6
Mr. Shyamsundar Bang	Member	23
Mr. Surendra Singh	Member	23
Dr. Jag Mohan Khanna**	Member	18

* Ceased to be a member w.e.f. 14.07.2009
** Appointed as a member w.e.f. 14.07.2009

REPORT ON CORPORATE GOVERNANCE

v) Investors' Complaints received and resolved during the year

During the year, the Company received 96 complaints, which were resolved. No complaint was pending as on March 31, 2010.

vi) Transfers and Transmissions approved

During the year under review, the Company received 180 cases (89,660 shares) of share transfer/transmission/ transposition out of which 78 cases (43,350 shares) were transferred and 102 cases (46,310 shares) were rejected for technical reasons.

The Company had 24,566 investors as on March 31, 2010.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for framing policy on executive remuneration and for fixing the remuneration packages of Wholetime/Managing Directors. It also ensures that the levels of remuneration are sufficient to attract, retain and motivate directors to run the company successfully.

i) Terms of reference:

The Committee is empowered to decide and approve the remuneration of the Executive Board Members of the Company.

ii) Composition

The Committee comprises of 3 Non-Executive Independent Directors namely:

– Mr. Arabinda Ray **(Chairman)**
– Mr. Surendra Singh
– Mr. H. K. Khan

Invitee:

– Mr. R. Sankaraiah (Executive Director- Finance)

Secretary

– Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher.

iv) Attendance during 2009-10

During the year, one meeting of the Committee was held on January 21, 2010. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. Arabinda Ray	Chairman	1
Mr. Surendra Singh	Member	1
Mr. H. K. Khan	Member	1

FINANCE COMMITTEE

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow moneys.

i) Terms of reference:

- To avail financial assistance from Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other Lenders by way of term loans, working capital loans or any other funding method
- To approve creation of the mortgages/charges in favour of lenders

ii) Composition

The Committee comprises of the following:

– Mr. Shyam S. Bhartia (Chairman)
– Mr. Hari S. Bhartia
– Mr. Shyamsundar Bang
– Mr. Surendra Singh

Invitee:

– Mr. R. Sankaraiah (Executive Director- Finance)

Secretary

– Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate. The quorum for the meeting is either two members or one third of the members, whichever is higher.

iv) Attendance during 2009-10

During the year, 5 meetings of the Committee were held on April 16, 2009, June 17, 2009, August 19, 2009, September 29, 2009 and March 29, 2010. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. Shyam S. Bhartia	Chairman	4
Mr. Hari S. Bhartia	Member	4
Mr. S. N. Singh *	Member	2
Mr. Shyamsundar Bang	Member	5
Mr. Surendra Singh	Member	4

* Ceased to be a member w.e.f. 14.07.2009

COMPENSATION COMMITTEE

The Compensation Committee has been constituted for administration and superintendence of the Jubilant Employees Stock Option Plan, 2005 (ESOP).

The Committee frames suitable policies and systems for grant of stock options so that there is full compliance with the relevant provisions of the law. It also monitors the quantum of options to be granted under ESOP.

(i) Terms of reference:

- To determine the quantum of options to be granted under ESOP per employee and in the aggregate
- To formulate the conditions under which options vested in employees may lapse in case of termination of employment for misconduct
- To specify the exercise period within which the employees should exercise the options and that options would lapse on failure to exercise within the exercise period
- To specify the time period within which the employee shall exercise the vested options in the event of termination or resignation
- To establish the right of an employee to exercise all the vested options at one time or at various points of time within the exercise period
- To formulate the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others and in case of employees who are on long leave and the procedure, if any, for cashless exercise of options
- To frame suitable policies and systems to ensure compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- To supervise the Jubilant Employees Welfare Trust and to resolve any issue that arise in the administration of the Plan through Trust and to direct the trustee(s) as and when required for smooth and proper administration of the Plan.

(ii) Composition

The Committee comprises of the following Directors:

– Mr. Surendra Singh (Chairman)
– Mr. Hari S. Bhartia
– Mr. H. K. Khan
– Mr. Abhay Havaldar

REPORT ON CORPORATE GOVERNANCE

Invitee:

– Mr. R. Sankaraiah (Executive Director- Finance)

Secretary

– Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate. The quorum for the meeting is either two members or one third of the members, whichever is higher.

iv) Attendance during 2009-10

During the year, 4 meetings of the Committee were held on July 14, 2009, October 22, 2009, January 21, 2010 and February 20, 2010. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. Surendra Singh	Chairman	4
Mr. Hari S. Bhartia	Member	4
Mr. H. K. Khan	Member	4
Mr. Abhay Havaldar *	Member	0

*Appointed as a member of the Committee w.e.f. 14.07.2009

SPECIAL COMMITTEES

The Special Committees were constituted in 2005 and 2006 to issue and allot FCCBs / GDSs / Equity shares etc. The Committees decide the type of instrument and the terms and conditions of the issue/allotment and take other related decision.

(i) Terms of reference:

- To decide the type of instrument and the terms and conditions of the issue/allotment/ conversion, appointment of various agencies
- To decide the nature, timing, pricing and other terms and conditions of the issue
- To issue and allot the GDSs / ADSs / FCCBs / Equity shares
- To liaise with any regulatory authority
- To approach stock exchange(s) for listing of the FCCBs/GDSs/ADSs/Equity shares
- To do all other acts and deeds in connection with above

(ii) Composition

The Committees comprise of the following Directors:

– Mr. Shyam S. Bhartia (Chairman)
– Mr. Hari S. Bhartia
– Mr. H. K. Khan
– Dr. Jag Mohan Khanna (w.e.f. 14th July 2009)

Invitee:

– Mr. R. Sankaraiah (Executive Director- Finance)

Secretary

– Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Committees meet as frequently as circumstances necessitate. The quorum for the meeting is either two members or one third of the members, whichever is higher.

iv) Attendance during 2009-10

No meeting of the Committee was held during the year.

CAPITAL ISSUE COMMITTEE

The Capital Issue Committee was constituted in October 2009 to issue and allot GDRs / Equity shares / Equity related instruments to Qualified Institutional Buyers (QIBs)/others. The Committees decides the type of instrument and the terms and conditions of the issue/allotment and to take other related decisions.

(i) Terms of reference:

- To decide the type of instrument and the terms, conditions and modalities of the issue/allotment, appointment of various agencies
- To decide the nature, timing, pricing and other terms and conditions of the issue
- To issue and allot the GDSs / ADSs / FCCBs / Equity shares
- To liaise with any regulatory authority
- To approach stock exchange(s) for listing of the FCCBs/GDSs/ADSs/Equity shares
- To do all other acts and deeds in connection with above

(ii) Composition

The Committees comprise of the following Directors:

– Mr. Shyam S. Bhartia (Chairman)
– Mr. Hari S. Bhartia
– Mr. Shyamsundar Bang
– Dr. Jag Mohan Khanna

Invitee:

– Mr. R. Sankaraiah (Executive Director- Finance)

Secretary

– Mr. Lalit Jain (Company Secretary)

iii) Meetings and Quorum

The Committees meet as frequently as circumstances necessitate. The quorum for the meeting is either two members or one third of the members, whichever is higher.

iv) Attendance during 2009-10

During the year, 4 meetings of these Committees were held on March 10, 2010, March 25, 2010, March 29, 2010 and March 31, 2010. The attendance details are as follows:

Name of the Member	*Status*	*No. of meetings attended*
Mr. Shyam S. Bhartia	Chairman	2
Mr. Hari S. Bhartia	Member	3
Mr. Shyamsundar Bang	Member	3
Dr. Jag Mohan Khanna	Member	4

Apart from the above, there are several Executive Committees comprising of Managing Directors /Whole time Directors and senior executives of the Company.

SUPPLY CHAIN COMMITTEE

i) Terms of reference

- Focus on review of the various aspects of supply chain performance including:
  - Planning efficacy
  - Purchase price monitoring
  - Inventory monitoring
  - Insurance
  - Commercial matters
  - Export related aspects
  - Logistics optimization
  - Indirect tax matters
  - Legal matters

REPORT ON CORPORATE GOVERNANCE

Composition:

– Mr. Shyamsundar Bang (Executive Director)
– Dr. Jag Mohan Khanna (Executive Director)
– Mr. R. Sankaraiah (Executive Director-Finance)
– Mr. Manoj D Soni (Chief of Supply Chain)

Any other person, if required, is invited.

iii) Meetings

The Committee meets as frequently as circumstances necessitate. Normally, meetings are held once a week.

PURCHASE COMMITTEE

i) Terms of reference:

- Focus on review of various aspects of purchasing including:
  - Review of purchase proposals (Top 60 items i.e. 90% value)
  - Vendor development
  - Vendor evaluation
  - Logistics contracts & planning

ii) Composition:

– Mr. Shyamsundar Bang (Executive Director)
– Dr. Jag Mohan Khanna (Executive Director)
– Mr. R. Sankaraiah (Executive Director-Finance)
– Mr. Manoj D Soni (Chief of Supply Chain)

Any other person, if required, is invited.

iii) Meetings

The Committee meets as frequently as circumstances necessitate. Normally, the Committee meets twice a week.

BUSINESS PERFORMANCE REVIEW COMMITTEE

i) Terms of reference:

To review the business performance of the Company.

ii) Composition:

– Mr. Shyam S. Bhartia (Chairman and Managing Director)
– Mr. Hari S. Bhartia (Co- Chairman and Managing Director)
– Mr. R. Sankaraiah (Executive Director-Finance)
– Dr. Jag Mohan Khanna (Executive Director)
– Mr. Shyamsundar Bang (Executive Director)

Any other person, if required, is invited.

iii) Meetings

The Committee meets as frequently as circumstances necessitate. Normally, meetings are held once in a month.

CAPEX COMMITTEE

i) Terms of reference:

To focus on:

- Prioritisation of capex needs
- Feasibility analysis of capex proposal
- Review of Cash flow and alternative funding arrangements for capex
- Capex returns and project evaluation

ii) Composition:

- Mr. R Sankaraiah (Executive Director-Finance)
- Mr. Shyamsundar Bang (Executive Director)
- Dr. Jag Mohan Khanna (Executive Director)

Any other person, if required, is invited.

iii) Meetings

The Committee meets as frequently as circumstances necessitate. Normally, meetings are held once in a month.

CREDIT CONTROL COMMITTEE

i) Terms of reference:

- Validation of customer credit limits
- Monitoring of actual credit vs. approved credit limits
- Review and assist in formulation of various divisional credit policies
- Review of accounts receivables ageing
- Review of pricing policy

ii) Composition:

- Mr. R Sankaraiah (Executive Director-Finance)
- Dr. Jag Mohan Khanna (Executive Director)
- Mr. Shyamsundar Bang (Executive Director)

Any other person if required, is invited.

iii) Meetings

The Committee meets as frequently as circumstances necessitate.

d) Details of remuneration paid to directors for the year 2009-10, their Directorships, business interests and relationships with the other Directors/Company.

i) Remuneration to Managing/Whole-Time Directors

Mr. Shyam S. Bhartia, Chairman & Managing Director and Mr. Hari S. Bhartia, Co-Chairman & Managing Director, were re-appointed for a period of five years each w.e.f. April 01, 2007. Dr. Jag Mohan Khanna, was re-appointed w.e.f. August 16, 2007 as Executive Director for a period of five years. Mr. S. N. Singh and Mr. Shyamsundar Bang were re-appointed as Executive Directors for a period of five years each w.e.f. November 01, 2008.

Remuneration including perquisites, commission and retirement benefits paid/payable to directors for the year 2009-10 was as follows:

(Amounts in ₹)

	Mr. Shyam S. Bhartia	*Mr. Hari S. Bhartia*	*Mr. S. N. Singh**	*Mr. Shyamsundar Bang*	*Dr. Jag Mohan Khanna*
Salary	1,500,000	1,500,000	3,791,045	6,684,375	8,166,375
Commission	30,000,000	30,000,000	Nil	Nil	Nil
Perquisites/ Allowances/ Others	22,768,915	22,403,150	14,180,619	6,890,155	9,060,193
Contribution to Superannuation Fund	_	_	_	1,002,661	_
Contribution to Provident Fund	180,000	180,000	454,925	802,125	979,965
TOTAL	**54,448,915**	**54,083,150**	**18,426,589**	**15,379,316**	**18,206,533**

* Retired on 03.11.2009.

The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis. However, gratuity and leave encashment actually paid to Managing Directors / Whole-time Directors is included.

REPORT ON CORPORATE GOVERNANCE

Service Contracts, Notice Period, Severance Fees

The appointments of Managing Directors and Whole-time Directors are contractual.

The appointments of the Whole time Directors are terminable by the Company by giving 3 months notice or salary in lieu thereof.

ii) Remuneration to Non-Executive Directors

Sitting fees for Board Meetings/ Committee Meetings and commission paid/ payable to the Non-Executive Directors for year ended March 31, 2010 were as under:

	Sitting Fees ₹	*Commission** ₹
Mr. Arabinda Ray	155,000	200,000
Mr. Surendra Singh	272,500	200,000
Mr. H. K. Khan	225,000	200,000
Dr. Naresh Trehan	40,000	200,000
Mr. Abhay Havaldar	–	–
Mr. Rahul Yadav	–	–
Dr. Inder Mohan Verma (Appointed w.e.f. 21.01.2010)	–	38,356
Mr. Shardul S. Shroff (Appointed w.e.f. 15.03.2010)	–	9,315
Total	**692,500**	**847,671**

*Commission to the non-executive directors is payable in terms of approval obtained from the Central Government. The same is payable after the accounts are approved at the next Annual General Meeting.

Number of Equity Shares/ Stock Options in the Company held by Non-Executive Directors as on March 31, 2010

Name	*No. of Equity Shares of ₹ 1/- held*	*No. of Stock Options #*
Mr. Arabinda Ray	6,300	1,850*
Mr. Surendra Singh	–	5,000
Mr. H. K. Khan	–	5,000
Dr. Naresh Trehan	–	5,000
Mr. Abhay Havaldar	–	–
Mr. Rahul Yadav	–	–
Dr. Inder Mohan Verma**	–	–
Mr. Shradul S. Shroff***	–	–

\# These Stock Options were granted on September 6, 2005. The holder of each Stock Option has a right to subscribe to five equity shares of ₹ 1/- each at an exercise price of ₹ 201.33 per equity share.

* Mr. Arabinda Ray was granted 5,000 Stock Options on September 6, 2005. He exercised 500 options during 2006-07, 1,250 options during 2008-09 and 1,400 options during 2009-10.

** Appointed as Director w.e.f. 21.01.2010

*** Appointed as Director w.e.f. 15.03.2010.

During the year, the Company has paid ₹ 4.99 million as professional fees to M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co., a firm in which Mr. Shardul S. Shroff, Director of the Company, is Managing Partner.

Other than as indicated above, the non-executive directors did not have any pecuniary relationship or transactions with the Company.

iii) Criteria for making payment to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/ Committee meetings. They are compensated through sitting fees for attending the meetings and also through commission as approved by members and the Central Government.

iv) Holding of Directorships in other Companies

Mr. Shyam S. Bhartia

- Jubilant Chemsys Limited
- Jubilant Infrastructure Limited

- Clinsys Clinical Research Limited
- Jubilant First Trust Healthcare Limited
- Jubilant Innovation (India) Limited
- Jubilant Foodworks Limited
- Vam Holdings Limited
- Geo-Enpro Petroleum Limited
- Lionel India Limited
- Zuari Industries Limited
- Chambal Fertilizers & Chemicals Limited
- ACME Tele Power Limited
- Draximage India Limited
- Jubilant Enpro Private Limited
- Enpro Oil Private Limited
- Jubilant Capital Private Limited
- Tower Promoters Private Limited
- Nikita Resources Private Limited
- Jaytee Private Limited
- B & M Hotbreads Private Limited
- B T Telecom (India) Private Limited
- Focus Brands Trading (India) Pvt. Ltd.
- American Orient Capital Partners (India) Private Limited
- Jubilant Bhartia Foundation
- Jubilant Organosys (USA) Inc.
- PSI Supply NV
- Jubilant Pharmaceuticals NV
- Jubilant Pharma NV
- Jubilant Pharma Pte Ltd.
- Cadista Holdings Inc.
- Cadista Pharmaceuticals Inc.
- Clinsys Holdings Inc., USA
- Clinsys Clinical Research Inc.
- Hollister Stier Laboratories LLC
- HSL Holdings Inc.
- Jubilant Discovery Services Inc.
- 6963196 Canada Inc.
- 6981364 Canada Inc.
- Jubilant Innovation (USA) Inc.
- DRAXIS Specialty Pharmaceuticals Inc.
- Draximage Limited, Cyprus (formerly Pancity Limited)
- Draxis Pharma Inc.
- Deprnyl Inc.
- Jubilant Energy (Holding) B.V.
- Jubilant Energy Limited Canada
- Jubilant Energy NV, Netherlands
- Safe Foods Corporation
- Putney Inc.
- CFCL Technologies Limited (Cayman Islands)
- CFCL Venture Limited (Cayman Islands)

REPORT ON CORPORATE GOVERNANCE

Mr. Hari S. Bhartia

- Jubilant Chemsys Limited
- Jubilant Biosys Limited
- Jubilant Infrastructure Limited
- Clinsys Clinical Research Limited
- Jubilant First Trust Healthcare Limited
- Asia Healthcare Development Limited
- Vam Holdings Limited
- Geo-Enpro Petroleum Limited
- Jubilant Foodworks Limited
- Television Eighteen India Limited
- IBN 18 Broadcast Limited
- Jubilant Innovation (India) Limited
- Shriram Pistons & Rings Ltd.
- Jubilant Enpro Private Limited
- Enpro Oil Private Limited
- Jubilant Securities Private Limited
- Nikita Resources Private Limited
- Jaytee Private Limited
- B & M Hotbreads Private Limited
- B T Telecom (India) Private Limited
- Digital Talkies Private Limited
- American Orient Capital Partners (India) Private Limited
- Focus Brands Trading (India) Pvt. Ltd.
- Jubilant Retail Consolidated Pvt. Ltd.
- Jubilant Retail Holding Pvt. Ltd.
- Jubilant Retail Pvt. Ltd.
- Vanthys Pharmaceutical Development Private Limited
- Jubilant Bhartia Foundation
- PSI Supply NV
- Jubilant Pharmaceuticals NV
- Jubilant Pharma NV
- Jubilant Pharma Pte Ltd.
- Cadista Holdings Inc.
- Cadista Pharmaceuticals Inc.
- Clinsys Holdings Inc,
- Clinsys Clinical Research Inc.
- Jubilant Discovery Services Inc.
- Jubilant Energy (Holding) B.V.
- Jubilant Energy Limited Canada
- Hollister Stier Laboratories LLC
- HSL Holdings Inc.
- Jubilant Energy NV, Netherlands
- Jubilant Innovation (USA) Inc.
- Jubilant Organosys International Pte Ltd.
- Jubilant Biosys (Singapore) Pte Ltd.
- Jubilant Drug Development Pte Ltd.
- Jubilant Biosys (BVI) Ltd.

- Jubilant Organosys (BVI) Ltd.
- DRAXIS Specialty Pharmaceuticals Inc.
- 6963196 Canada Inc.
- 6981364 Canada Inc.
- Jubilant Innovation Pte Limited

Mr. Abhay Havaldar

- Patni Computer Systems Limited
- IBS Software Services Private Limited

Mr. Arabinda Ray

- SDV International Logistics Limited

Mr. H. K. Khan

- Calcom Visions Limited
- Asahi Songwon Colors Limited
- Today's Petrotechemicals Limited
- Sherwood Infrastructures (India) Private Limited
- Lefance Overseas Pvt. Ltd.

Dr. Inder Mohan Verma

- Jubilant Biosys Limited

Dr. Jag Mohan Khanna

- Jubilant Chemsys Limited
- Jubilant Biosys Limited
- Clinsys Clinical Research Limited
- Draximage India Limited
- PSI Supply NV Belgium
- Jubilant Pharmaceuticals NV
- Cadista Holdings Inc.
- Cadista Pharmaceuticals Inc.
- Cadista Pharmaceuticals (UK) Limited

Dr. Naresh Trehan

- Dabur Pharma Limited
- Punj Lloyd Limited
- Shrumps Real Estates Limited
- Kingfisher Airlines Limited
- Afsan Health Resorts Private Limited
- Global Health Private Limited
- Globerian India Private Limited
- Raksha TPA Private Limited
- Trasa Investments Private Limited
- Wah India Private Limited
- Naresh Trehan Holdings Private Limited
- Dr. Naresh Trehan & Associates Health Services Private Limited

Mr. Rahul Yadav

- Sharekhan Limited
- SVIL Mines Limited
- SEW Infrastructure Limited
- Indu Projects Limited
- JBF Industries Limited
- JBF RAK LLC

REPORT ON CORPORATE GOVERNANCE

Mr. Shradul S. Shroff

- Infrastructure Development Finance Co. Limited
- NIIT Limited
- Ballarpur Industries Limited
- Ashok Leyland Limited
- Nokia HCL Mobile Internet Services Limited
- Jindal Power Limited
- Hindustan Media Ventures Limited
- DE Saw India Advisory Services Pvt. Limited
- Amarchand Towers Property Holdings Private Limited
- Amarchand Mangaldas Properties Private Limited
- PSNSS Properties Pvt. Limited
- Baghbaan Properties Pvt. Limited

Mr. Shyamsundar Bang

- U. C. Gas Engineering Limited
- Jubilant Infrastructure Limited
- Asia Infrastructure Development Co. Pvt. Limited

Mr. Surendra Singh

- NIIT Limited
- NIIT Technologies Limited
- NIIT Smart Serve Limited
- CMC Limited

Mr. Vishal Marwaha (Alternate Director to Mr. Rahul Yadav)

- Jubilant Foodworks Limited
- HSIL Limited
- Henderson Equity Partners India Private Limited
- Sharda Worldwide Exports Private Limited
- Genesis Colors Private Ltd.
- HEP Investment (HK) Ltd.

e) Remuneration Policy

Remuneration policy aims at encouraging and rewarding good performance/contribution to company objectives.

f) General Body Meetings

(i) The last three Annual General Meetings of the Company were held as under:

Financial Year	*Date*	*Time*	*Location*
2008-09 (31st AGM)	August 28, 2009	11.30 a.m.	Registered. Office: Bhartiagram, Gajraula - 244223 District Jyotiba Phoolay Nagar, U.P.
2007-08 (30th AGM)	September 27, 2008	11.30 a.m.	Same as above
2006-07 (29th AGM)	September 25, 2007	11.30 a.m.	Same as above

(ii) Special resolutions passed during last 3 Annual General Meetings:

AGM	*Date of AGM*	*Subject matter of Special Resolutions Passed*
31st AGM	August 28, 2009	1. Alteration of Articles of Association of the Company 2. Re-pricing of Stock Options 3. Modification of Jubilant Employees Stock Option Plan 2005
30th AGM	September 27, 2008	NIL
29th AGM	September 25, 2007	NIL

(iii) Special resolutions passed through Postal Ballot last year

Postal Ballot dated December 02, 2009

a) Further Issue of Capital

b) Change of name of the Company

(iv) Whether any Special Resolutions are proposed to be passed through Postal Ballot

No.

(v) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all shareholders of the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman and Managing Director of the Company, who on the basis of the report, announces the results.

g) Disclosures

(i) The Company does not have any material unlisted Indian subsidiary company.

(ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 24A of Schedule 'O' to the accounts.

(iii) No non- compliances have taken place nor have any penalties or strictures been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has established a Whistle Blower Policy to make the workplace conducive to open communication regarding business practices and to protect the employees from unlawful victimisation, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

The Policy has been posted on the Company's intranet viz: "Chemway".

During the year, no personnel were denied access to the Audit Committee.

h) Means of Communication

(i) The quarterly results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in leading Business Newspapers of the country like 'Business Standard' and regional newspapers like 'Dainik Jagran' in accordance with the guidelines of Stock Exchanges.

(ii) The quarterly financial results are posted on the website of the Company at www.jubl.com. The website also displays official news release.

(iii) Regular communications sent to shareholders including e-mailing of quarterly results just after release to Stock Exchanges, emailing of Annual Reports and Corporate Sustainability Report, obtaining regular and also online feedback from shareholders.

(iv) Your Company has well laid out plans for communication to institutional shareholders and brokers. A detailed investors communication is sent through e-mail to all the leading Indian and international analysts on both buy and sell side and fund managers. These are also available on company's website for general public. During the financial year, the company organised Earnings Calls after announcement of quarterly result, which were well attended by the analysts, fund managers and investors. The Company also organised one to one meetings with investors in Mumbai post the announcement of quarterly results. Investor presentations were made during road shows in India as well as overseas.

i) General Shareholders' Information

(i) Date, time and venue for 32nd Annual General Meeting:

As per notice of 32nd Annual General Meeting.

(ii) Tentative Financial Calendar- 2010-11*

Item	*Tentative Dates **
First Quarter Results	July 27, 2010
Half Yearly Results	October 20, 2010
Third Quarter Results	January 18, 2011
Audited Annual Results for the year	April 26, 2011

*As approved by the Board. However these dates are subject to change.

REPORT ON CORPORATE GOVERNANCE

(iii) Book Closure & Dividend Payment Dates

As per Notice of 32nd Annual General Meeting. The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

(iv) Listing on Stock Exchange and Stock codes

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

S. No.	*Name of the Stock Exchange*	*Security Listed*	*Stock Code*
1.	Bombay Stock Exchange Limited	Equity Shares	530019
2.	National Stock Exchange of India Limited	Equity Shares	JUBILANT
3.	Singapore Stock Exchange	FCCB	XS 0219608022 XS 0252816672
4.	Luxembourg Stock Exchange	GDS (on conversion of FCCB)	019274578

The listing fees for financial year 2010-11 have been paid for all the above Stock Exchanges.

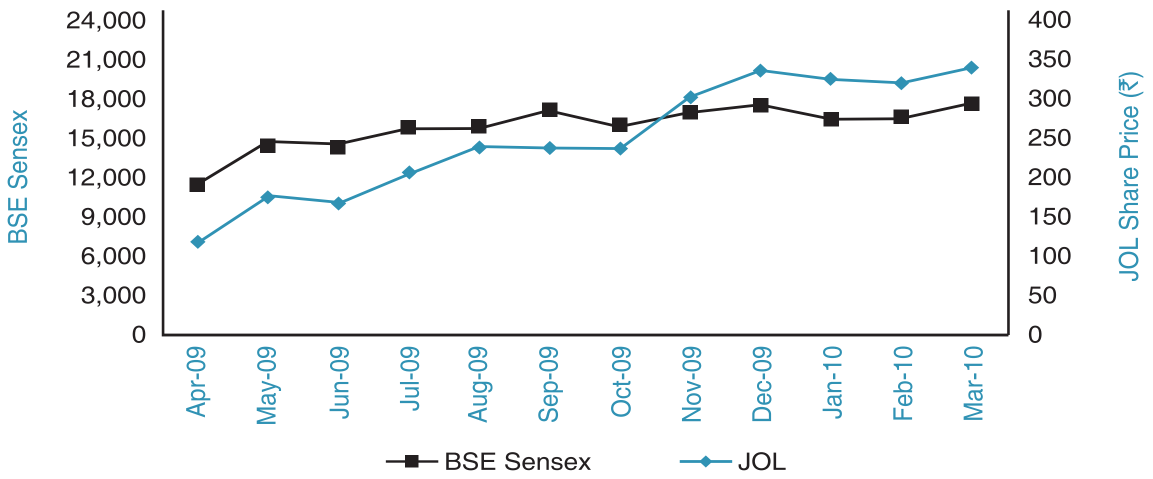
(v) Market price data

High/low of market price of the Company's equity shares traded on the Stock Exchanges during 2009-10 was as follows:

(Equity Shares of ₹ 1 each)

Month	*BSE*		*NSE*	
	High (₹)	*Low (₹)*	*High (₹)*	*Low (₹)*
April, 2009	142.00	94.00	142.40	93.15
May, 2009	197.00	113.50	194.95	113.40
June, 2009	187.00	160.10	197.90	161.00
July, 2009	209.70	155.15	210.00	155.00
August, 2009	264.40	191.00	264.50	183.95
September, 2009	256.00	215.25	254.95	215.20
October, 2009	247.00	209.65	248.00	210.00
November, 2009	321.10	217.00	320.90	219.05
December, 2009	365.00	298.30	362.65	298.30
January, 2010	360.80	300.50	359.90	300.10
February, 2010	352.70	306.00	352.10	305.50
March, 2010	358.00	296.70	357.00	320.20

(vi) Performance of the Company's equity shares in comparison to BSE Sensex



The above chart is based on the monthly closing prices of the shares of the Company and monthly closing BSE Sensex

(vii) Growth in Equity Capital

Year	*Particulars*	*Increase in number of Shares*	*Cumulative Number of Shares*	*Face Value (₹)/each*
1978	Issue of Shares to initial subscribers	1,200	1,200	10
1981	Issued to Indian promoters	608,370	609,570	10
1981	Issued to Foreign collaborators	655,430	1,265,000	10
1981	Issued to Public through public issue	2,200,000	3,465,000	10
1982-1983	Rights Issue 1: 5	693,000	4,158,000	10
1984-1985	Forfeited on account of non-payment of allotment money	-3,200	4,154,800	10
1986-1987	Conversion of loan into equity shares	1,006,180	5,160,980	10
1995-1996	Issued to shareholders of Ramganga Fertilizers Ltd. upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to Shareholders of Anichem India Limited & Enpro Speciality Chemicals Ltd. upon merger with the Company.	839,897	6,257,399	10
2001-2002	Conversion of 15,00,000 Warrants issued to promoters on preferential basis	1,500,000	7,757,399	10
2002-2003	Sub-division of shares from ₹ 10/- to ₹ 5/-	7,757,399	15,514,798	5
2002-2003	Cancellation of shares as per Scheme of Amalgamation of the Company with Vam Leasing Limited & Vam Investments Ltd.	-851,234	14,663,564	5
2003-2004	Issue of Bonus shares in the ratio of 3: 5	8,798,139	23,461,703	5
2004-2005	Issued to foreign investors on preferential basis	2,424,273	25,885,976	5
2004-2005	Part conversion of FCCBs	27,379	25,913,355	5
2005-2006	Part conversion of FCCBs	1,448,348	27,361,703	5
2005-2006	Issued to foreign investors on preferential basis	990,000	28,351,703	5
2005-2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	113,406,812	141,758,515	1
2005-2006	Part conversion of FCCBs	684,480	142,442,995	1
2006-2007	Part conversion of FCCBs	999,339	143,442,334	1
2006-2007	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	3,000	143,445,334	1
2007-2008	Part conversion of FCCBs	2,675,375	146,120,709	1
2007-2008	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	65,205	146,185,914	1
2008-2009	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	46,630	146,232,544	1
2008-2009	Part conversion of FCCBs	1,309,714	147,542,258	1
2009-2010	Issue of Shares to Qualified Institutional Buyers	11,237,517	158,779,775	1

(viii) Appreciation in Share Price

Over the last 9 years, the Company transformed from a commodity chemicals manufacturer to an integrated pharmaceutical industry player.

A person who invested ₹ 1 lac in the Company on April 1, 2001 has holdings worth approximately ₹ 86 lacs now as computed below:

Date	*Action*	*No. of Resultant Shares*	*Face Value (₹)*
April 2, 2001	Purchased shares @ ₹ 62.90 per share (BSE Opening Price)	1,589.83	10
November 21, 2002	Sub-division of shares from ₹ 10/- to ₹ 5/-	3,179.65	5
March 18, 2004	Issue of Bonus Shares 3: 5	5,087.44	5
March 24, 2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	25,437.20	1
Total value of 25,437.20 equity shares on 31st March, 2010 @ ₹ 338.05 per share is ₹ 8,599,045.46		–	

Thus the investor has multiplied his wealth around 86 times in 9 years, implying a Compounded Annual Growth Rate of 64% approximately. In addition, he has got handsome dividends.

REPORT ON CORPORATE GOVERNANCE

(ix) Compliance Officer

Mr. Lalit Jain, Company Secretary, is the Compliance Officer appointed by Board. He can be contacted for any investor related matter relating to the Company. His contact no. is +91 120 2516601; Fax no. +91 120 2516629 and e-mail id is investors@jubl.com.

(x) Registrar and Transfer Agent

The Company has appointed M/s Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 as Registrar and Share Transfer Agent for physical as well as electronic connectivity with the depositories for dematerialised shares.

(xi) Share Transfer System

Investors Grievance Committee is authorised to approve transfers of securities. Share transfers which are received in physical form, are processed and the share certificates are normally returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

(xii) Shareholder Satisfaction Survey

During the year under review, the Company conducted a survey to assess the shareholders' satisfaction level on the investor services being rendered by the Company, comprising:

1. Timely receipt of Annual Report
2. Quality & content of Annual report
3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with Company's officials
6. Interaction with Registrar & Transfer Agents
7. Investor service section of Company's website
8. Overall rating of our investor services

The shareholders were asked to give one of the four possible ratings to each of the above:-

- Excellent
- Very Good
- Good
- Poor

The responses were converted into numbers after assigning weightages for each of the above 4 ratings.

The Composite Satisfaction Index arrived as above is 70.9%.

(xiii) Distribution of shareholding as on March 31, 2010

(a) Value wise

Shareholding of nominal value in ₹	*Shareholders*		*Shareholding*	
	Number	*% of Total*	*Number*	*% of Total*
Upto 5000	24125	98.21	11519185	7.26
5001 to 10000	204	0.83	1442769	0.91
10001 to 20000	79	0.32	1131675	0.71
20001 to 30000	25	0.10	658434	0.41
30001 to 40000	12	0.05	432027	0.27
40001 to 50000	11	0.04	501808	0.32
50001 to 100000	26	0.11	1959578	1.23
100001 and above	84	0.34	141134299	88.89
Total	**24,566**	**100.00**	**158,779,775**	**100.00**

(b) Category wise

S. No.	*Category*	*No. of shares*	*Shareholding as a percentage of total number of shares*
A	**Promoters & Promoter Group**	75,152,024	47.33
B	**Public Shareholding**		
	1 Financial Institutions / Banks	11,00,447	0.69
	2 UTI, Mutual Funds & Insurance Cos.	6,374,435	4.01
	3 Domestic Companies	12,349,895	7.78
	4 Non Resident Indians	682,258	0.43
	5 FII / Foreign Investors	44,688,073	28.15
	6 Indian Public	18,432,643	11.61
	Grand Total	158,779,775	100.00

(xiv) Disclosures

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments, the Company has implemented a Code of Conduct for Prevention of Insider Trading in Equity Shares of the company for observance by its Directors and other identified persons.

The Company Secretary is the Compliance Officer in this regard.

(xv) Unclaimed Dividends

Dividends pertaining to the financial years upto and including 1993-94, remaining unclaimed, have been transferred to the General Revenue Account of the Central Government. Shareholders having valid claims of unpaid dividend for any of these financial years may approach the Registrar of Companies, U.P. & Uttarakhand, Kanpur.

Dividends pertaining to the financial years 1994-95 to 2001-02, remaining unpaid, have been transferred to the Investor Education and Protection Fund (the Fund) established under Section 205C of the Companies Act, 1956 (the Act). As per said Section, no claims are allowed from the Fund.

In respect of unpaid/unclaimed dividends for the year 2002-03 onwards, the shareholders are requested to write to the Company. Dividends remaining unclaimed for seven years from the date of transfer of unpaid dividend account, will be transferred as per Section 205A (5) of the Act to the Fund.

Shareholders who have not encashed their dividend warrants relating to the dividends specified in the table given below are requested to immediately approach the Registrar and Transfer Agent for issue of duplicate warrants.

Financial Year	*Particulars*	*Date of declaration*	*Due for transfer*
2002-03	Final Dividend	September 26, 2003	October 29, 2010
2003-04	Interim Dividend	January 9, 2004	February 13, 2011
2003-04	Final Dividend	September 15, 2004	October 15, 2011
2004-05	Final Dividend	August 29, 2005	October 4, 2012
2005-06	Final Dividend	September 19, 2006	October 22, 2013
2006-07	Final Dividend	September 25, 2007	October 30, 2014
2007-08	Final Dividend	September 27, 2008	October 30, 2015
2008-09	Final Dividend	August 28, 2009	October 01, 2016

(xvi) Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement

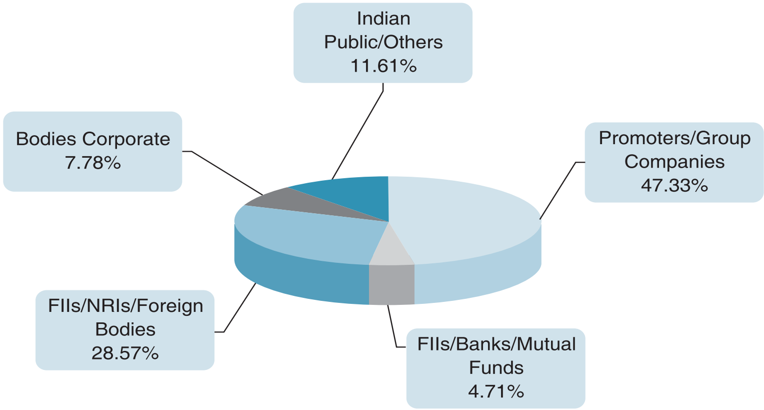
Information pertaining to particulars of Directors to be appointed and re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

(xvii) Compliance Certificate of the Statutory Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is attached as **Annexure E**.

REPORT ON CORPORATE GOVERNANCE

(xviii) Distribution of Shareholding as on March 31, 2010



(xix) (a) Dematerialisation of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). As on March 31, 2010, 146,950,673 equity shares of the Company (92.55% of the paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE700A01033.

(b) Liquidity

The Equity Shares of the company are frequently traded on the National Stock Exchange as well as on the Bombay Stock Exchange (Group A).

(xx) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

(a) Your Company, during 2004-05, 2005-06 and 2006-07, issued Foreign Currency Convertible Bonds (FCCBs) of USD 35 million, USD 75 million and USD 200 million, respectively. During the year the balance of FCCB 2009 was completely redeemed.

The balance FCCBs along with the number of shares to be issued on conversion is given below:

Particulars	*Year of Issue*	*Size of Issue (in million USD)*	*Interest Rate(%)*	*FCCBs converted into equity shares (in million USD)*	*FCCBs bought back (in million USD)*	*Balance FCCBs outstanding (in million USD)*	*Conversion Details*		*No. of shares of ₹1 each (to be allotted if converted for outstanding FCCBs)*
							Conversion Period	*Conversion Price per Equity Share (₹)*	
FCCB 2010	2005-06	75	0	22.3	3.0	49.7	July 3, 2005 to May 14, 2010	273.0648	7,883,231
FCCB 2011	2006-07	200	0	0	57.9	142.1	June 30, 2006 to May 10, 2011	413.4498	15,483,391
Total		**275**		**22.3**	**60.9**	**191.8**			**23,366,622**

Whilst the FCCBs are listed on Singapore Stock Exchange, the Global Depository Shares (GDSs) arising out of conversion of FCCBs are listed on Euro MTF Market of the Luxembourg Stock Exchange.

(b) Further, the impact of future conversions of FCCBs into equity shares assuming full conversion would be as follows:-

Particulars	*No. of Shares of ₹1 each*
Paid-up Share Capital as on March 31, 2010	158,779,775
Add: Conversion of FCCB 2010	7,883,231
Add: Conversion of FCCB 2011	15,483,391
Eventual Paid-up Capital	**182,146,397**

Note: No dilution under Stock Options is envisaged, as the Trust is expected to transfer the shares held by it to employees on exercise. The shares held by the Trust are in excess of the Stock Options granted so far.

(c) Employees Stock Options

During the year, 41,523 Stock Options were granted under the Jubilant Employees Stock Option Plan 2005. Each option is convertible into five equity shares of ₹ 1/- each at the exercise price fixed at the time of grant being market value as per SEBI Guidelines. As on March 31, 2010, 3,65,331 Stock Options were outstanding.

(d) Issue to Qualified Institutional Buyers

During the last week of March, 2010, your Company raised ₹ 387.13 crores by way of private placement to Qualified Institutional Buyers. The Company allotted 11,237,517 shares of ₹ 1/- each at a price of ₹ 344.50 per share. The proceeds of the issue will be used for capital expenditure for organic growth, investment in Subsidiary companies and joint ventures, working capital, payment of debts and other general corporate purposes.

(e) Paid-Up Capital

The Paid-up Capital as at March 31, 2010 stands at 158,779,775 equity shares of ₹ 1/- each amounting to ₹ 15.88 Crores.

The impact of conversion of FCCBs into equity shares on the share capital assuming full conversion has been explained in (b) above.

(xxi) Location of the Manufacturing Facilities

Uttar Pradesh : Bhartiagram, Gajraula - 244 223, District Jyotiba Phoolay Nagar.
Gujarat : Block 133, Village Samalaya, Taluka Savli, District Vadodara - 391 520.
Maharashtra : Village Nimbut, Rly Stn. Nira, District Pune.
Karnataka : 56 Industrial Area, Nanjangud, District Mysore - 571 302.
Uttarakhand : Sikanderpur Bhainswal, Bhagwanpur, Roorkee - 247 661, District Haridwar.
Rajasthan : Village Singhpur, Tehsil Kapasan, Distt. Chittorgarh.

(xxii) R & D Centres

Uttar Pradesh (Central R&D) : C-26, Sector 59, Noida 201 301.
D-12, Sector 59, Noida 201 301.
C- 46, Sector 62, Noida - 201 301.
Uttar Pradesh (Gajraula R&D) : Bhartiagram, Gajraula - 244 223, District Jyotiba Phoolay Nagar.
Karnataka (Nanjangud R&D) : 56 Industrial Area, Nanjangud, District Mysore - 571 302.
Gujarat (Savli R&D) : Block 133, Village Samalaya, Taluka Savli, District Vadodara - 391 520.

(xxiii) Address for Correspondence

Jubilant Organosys Limited
Plot No.1A, Sector-16A, Noida - 201 301, U.P.
Tel: +91 120 2516601/2516611, Fax: +91 120 2516629
e-mail: investors@jubl.com, Website: www.jubl.com

Compliance with Clause 49 of Listing Agreement

(a) Mandatory Requirements

The Company has complied with all mandatory requirements of Clause 49 as detailed below:

	Particulars		*Clause of Listing Agreement*	*Compliance Status*
I.	**Board of Directors**			
	(A)	Composition of Board	49(IA)	Complied
	(B)	Non- Executive Director's compensation and disclosure	49(IB)	Complied
	(C)	Other provisions as to Board and committees	49(IC)	Complied
	(D)	Code of Conduct	49(ID)	Complied

REPORT ON CORPORATE GOVERNANCE

	Particulars		*Clause of Listing Agreement*	*Compliance Status*
(II)	**Audit Committee**			
	(A)	Qualified and Independent Audit Committee	49(IIA)	Complied
	(B)	Meeting of Audit Committee	49(IIB)	Complied
	(C)	Powers of Audit Committee	49(IIC)	Complied
	(D)	Role of Audit Committee	49(IID)	Complied
	(E)	Review of information by Audit Committee	49(IIE)	Complied
III.	**Subsidiary Companies**		49(III)	Complied
IV.	**Disclosures**			
	(A)	Basis of Related Party Transaction	49(IVA)	Complied
	(B)	Disclosure of accounting treatment	49(IVB)	Complied
	(C)	Board Disclosures- Risk Management	49(IVC)	Complied
	(D)	Proceeds from public issues, right issues, preferential issues etc.	49(IVD)	Complied
	(E)	Remuneration of Directors	49(IVE)	Complied
	(F)	Management	49(IVF)	Complied
	(G)	Shareholders	49(IVG)	Complied
V.	**CEO/CFO certification**		49(V)	Complied
VI.	**Report on Corporate Governance**		49(VI)	Complied
VII.	**Compliance**		49(VII)	Complied

(b) Extent to which Non-Mandatory Requirements have been adopted:

1. The Board

– **Non Executive Chairman's Office**

Not applicable as Chairman is executive.

– **Tenure of independent directors not to exceed 9 years**

Not Adopted

2. Remuneration Committee

The Company has set up a Remuneration Committee. The composition, terms of reference and other details of the same are given in preceding pages.

3. Shareholders' Rights

Not complied.

4. Audit Qualifications

The financial statements of the Company contain no audit qualifications.

5. Training of Board Members

The Board of Directors is periodically updated on the business model, company profile, entry into new products and markets.

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

The Company has a Whistle Blower Policy. The Audit Committee periodically reviews its functioning.

Corporate Governance Voluntary Guidelines 2009 and Corporate Social Responsibility Voluntary Guidelines 2009

The Central Government promulgated in December 2009, a set of Corporate Governance Voluntary Guidelines and a set of Corporate Social Responsibility Voluntary Guidelines for all companies.

The Company has constituted a Committee comprising of Mr. Hari S Bhartia, Mr. Shardul S. Shroff, Mr. Abhay Havaldar and Mr. R. Sankaraiah to evaluate these Guidelines and come up with implementation timelines.

The Company expects to comply substantially with these guidelines during the course of the year 2010-11.

Compliance with Code of Conduct

A declaration by the Chairman and Managing Director that all directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2010 is attached as **Annexure F**.

CEO/CFO Certification

In compliance with Clause 49(V) of the Listing Agreement, a declaration by the CEO, i.e. the Chairman and Managing Director and the CFO i.e. the Executive Director- Finance, has been attached as **Annexure G** which, inter-alia, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

ANNEXURE E

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To the Members of
Jubilant Organosys Limited

We have examined the compliance of conditions of corporate governance by Jubilant Organosys Limited ("the Company") for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreements of the Company with the stock exchanges. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the Company, its Directors and Officers, we certify that the Company has complied with, in all material respect, the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K. N. Gutgutia & Co.**
Chartered Accountants

Place : Noida
Date : May 10, 2010

B. R. Goyal
Partner

ANNEXURE F

TO WHOM IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2010.

For **Jubilant Organosys Limited**

Place : Noida
Date : May 10, 2010

Shyam S. Bhartia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

ANNEXURE G

CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

  i. significant changes in internal control over financial reporting during the year;

  ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Jubilant Organosys Limited

Shyam S. Bhartia	**R. Sankaraiah**
Chairman & Managing Director	Executive Director - Finance

Place : Noida
Date : May 10, 2010

AUDITORS' REPORT

To the members of Jubilant Organosys Limited

1. We have audited the attached Balance Sheet of JUBILANT ORGANOSYS LIMITED as at 31st March, 2010 the related Profit and Loss Account for the year ended on that date annexed thereto, and the Cash Flow Statement of the Company for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments mentioned in the Annexure referred to in above paragraph we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company.

   c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.

   d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956.

   e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March, 2010 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

   f) The Company has received proper returns from branches not visited by us.

   g) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, and read together with the notes and Significant Accounting Policies there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.

      (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

      (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **K. N. Gutgutia & Company**
Firm Registration Number : 304153E
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Place : Noida
Date : 10th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts of the year ended 31st March, 2010.

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) In our opinion, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.

(c) During the year the Company has not disposed off any substantial/ major part of fixed assets.

ii) (a) The inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company.

iii) (a) There are only two companies covered in the register maintained under Section 301 of the Companies Act, 1956 to which the Company has granted loan. The maximum amount involved during the year was ₹ 3,803.33 million (including the opening balance) and the year end total balance of loans granted to such parties was ₹ 1,361.80 million.

(b) In our opinion the rate of interest and other terms and condition on which loan were granted to the said Companies listed in register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.

(c) One of the said parties have repaid principal amounts on demand and the parties were regular in the matter of payment of interest.

(d) There is no overdue amount of loan granted to the said Company.

(e) The Company had not taken any loan from any Company covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (e), (f) & (g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register under Section 301 have been made at prices which are reasonable having regard to prevailing market prices, wherever comparable prices are available, at the relevant time.

vi) In the case of public deposits received by the Company, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 have been Compiled with. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

viii) The Central Government has prescribed maintenance of the Cost Records under Section 209(1) (d) of the Companies Act, 1956 in respect to the Companies' certain products. We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of the cost records for certain products of the Company and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are, however, not required to and have not carried out any detailed examination of such accounts and records.

ANNEXURE TO THE AUDITORS' REPORT

ix) (a) According to the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of sale tax, income tax, custom duty, wealth tax, service tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

	Name of the Statute	*Nature of the Dues*	*Amount ₹/million*	*Period to which the amount relates*	*Forum Where dispute is pending*
1	**Central Excise Act, 1944**	Excise Duty	1.26	April 2001- March 2002	Joint Commissioner, Pune
		Excise Duty	3.70	April 2004 to July 2005	Additional Commissioner, Pune
		Excise Duty	0.42	March 1997	Additional Commissioner, Meerut
		Excise Duty	1.27	February 2003 to September 2004	Commissioner, Meerut
		Excise - EOU	0.31	April 2007 to November 2007	Deputy Commissioner, Hapur
		CENVAT	1.84	April 2003 to March 2005	Tribunal, New Delhi. (Appeal being filed)
		Excise Penalty	0.01	April 2006	Govt. of India
		CENVAT	0.30	March 2003 to March 2007	Excise Tribunal, Ahmedabad
2.	**Customs Act, 1962**	Custom Duty + Interest	82.26	April 2002 to October 2005	A. C. Custom ICD, Tuglakabad
		Custom Duty + Interest	11.64	February 2002 to February 2010	A.C,Customs, Kandla
		Custom Duty + Interest	3.03	August 2004 to February 2009	A.C. Customs, Mumbai
3.	**Service Tax, Finance Act, 1994**	Service Tax	0.35	April 2003-March 2004	Asstt. Commissioner, Hapur
		Service Tax	29.24	April 2004 to May 2006	Commissioner, Noida
4	**Central Sales Tax Act, 1956 and Sales Tax Acts of Various States**	Sales Tax Penalty	0.24	1983-1984	Supreme Court
		Sales Tax Demand	0.97	1996-2001	Cuttack Tribunal
		Sales Tax Penalties	0.10	2009-10	D.C., Hasanpur
		Sales Tax Penalties	0.12	2008-09	Trade Tax Tribunal, Moradabad

x) There are no accumulated losses of the Company as at 31st March, 2010. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. However, all investments have been held by it in its own name or nominees.

xv) According to the information and explanations given to us, Company has given guarantees for loans taken by others (by the step down subsidiary companies) from Banks and the terms of such guarantees are not prejudicial to the interest of the Company.

xvi) According to the information and explanations given to us, the term loans raised during the year have been applied (including for investments) for the purpose for which they were raised.

xvii) According to the information & explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.

xviii) The Company has not made any preferential allotment of shares during the year to parties/companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) During the year covered by our audit report the Company has not issued secured debentures.

xx) The Company has not raised any money by Public Issue during the year.

ANNEXURE TO THE AUDITORS' REPORT

xxi) Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. N. Gutgutia & Company**
Firm Registration Number : 304153E
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Place : Noida
Date : 10th May, 2010

BALANCE SHEET

(₹ in million)

As at 31st March,	Schedules	2010		2009	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	158.80		147.56	
Reserves & Surplus	B	21,569.72		14,842.35	
			21,728.52		14,989.91
Loan Funds	C				
Secured Loans		10,012.84		15,514.58	
Unsecured Loans		10,109.89		9,741.83	
			20,122.73		25,256.41
Deferred Tax Liabilities (Net)	D		2,049.75		1,265.55
			43,901.00		41,511.87
APPLICATION OF FUNDS					
Fixed Assets	E				
Gross Block		20,505.98		19,250.65	
Less: Depreciation		5,913.46		5,282.81	
Net Block		14,592.52		13,967.84	
Capital Work-in-Progress		2,721.93		2,690.86	
			17,314.45		16,658.70
Investments	F		18,692.03		17,095.36
Foreign Currency Monetary Item Translation Difference Account			58.62		1,596.03
Current Assets, Loans and Advances	G				
Inventories		4,247.10		3,334.26	
Sundry Debtors		3,073.05		3,559.53	
Cash & Bank Balances		4,342.21		2,789.31	
Loans and Advances		5,843.38		4,730.80	
		17,505.74		14,413.90	
Less: Current Liabilities & Provisions	H				
Liabilities		5,195.56		4,037.64	
Provisions		4,474.28		4,217.77	
		9,669.84		8,255.41	
Net Current Assets			7,835.90		6,158.49
Miscellaneous Expenditure (To the extent not written off or adjusted)	I		–		3.29
			43,901.00		41,511.87
Notes to Accounts & Significant Accounting Policies	O				

Schedule "A" to "I" and "O" referred above form an integral part of the Balance Sheet.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*Schedules*	*2010*		*2009*	
INCOME					
Sales & Services	J	25,279.77		25,514.62	
Less: Excise Duty on Sales		(817.77)		(1,207.40)	
Net Sales & Services			24,462.00		24,307.22
Other Income	K		256.82		771.94
Increase/(Decrease) in Stocks	L		164.55		281.07
			24,883.37		25,360.23
EXPENDITURE					
Manufacturing & Other Expenses	M		18,642.50		21,340.16
Depreciation & Amortisation (Refer Note 5 of Schedule "O")			651.05		746.21
Interest	N		997.13		543.54
			20,290.68		22,629.91
Profit Before Tax			4,592.69		2,730.32
Income Tax					
– Current Tax (including Wealth Tax)			977.28		562.89
– Deferred Tax Charge/(Credit)			772.51		(161.50)
– Fringe Benefit Tax			–		24.18
– MAT Credit Entitlement			(788.10)		(302.66)
			961.69		122.91
Profit After Tax			3,631.00		2,607.41
Balance Brought Forward from Previous Year			7,557.84		6,711.72
Balance Available For Appropriation			11,188.84		9,319.13
APPROPRIATIONS					
Dividend on Equity Shares		317.56		223.34	
Tax on Distributed Profits on Equity Shares		52.74		37.95	
			370.30		261.29
Transfer to General Reserve			2,000.00		1,500.00
Balance Carried To Balance Sheet			8,818.54		7,557.84
Basic Earnings Per Share of ₹ 1 each (In Rupees)	O		24.60		17.70
Diluted Earnings Per Share of ₹ 1 each (In Rupees)	O		21.24		15.25
Notes to Accounts & Significant Accounting Policies	O				

Schedule "J" to "O" referred above form an integral part of the Profit & Loss Account.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	2010	2009
A. Cash Flow arising from Operating Activities :		
Net profit before tax	4,592.69	2,730.32
Adjustments for:		
Depreciation & Amortisation	651.05	746.21
Loss/(Profit) on Sale of Fixed Assets (Net)	63.87	27.22
Interest (Net)	997.13	543.54
Amortisation/Write off (VRS Expenses)	3.29	13.20
Amortisation of FCMITDA	100.84	–
Provision for Doubtful Debts	22.12	3.58
Provision for Gratuity & Leave Encashment	15.86	8.65
Bad Debts/Irrecoverable Advances written off (net of write-in)	21.23	25.07
Unrealised (Gain)/Loss on Exchange -Net	(1,059.75)	1,312.80
Gain on Buy-back/Extinguishment of FCCB Debt	–	(590.70)
Interest Income (as shown in Schedule "K")	(4.75)	(3.87)
Profit on Sale of Current Investments	(22.29)	(1.46)
Income from Current Investment (Non Trade) - Dividend	(66.34)	(37.28)
	722.26	2,046.96
Operating Profit before Working Capital Changes	**5,314.95**	**4,777.28**
Adjustments for :		
(Increase)/Decrease in Trade and other Receivables	761.76	(776.74)
(Increase)/Decrease in Inventories	(912.84)	(118.70)
Increase/(Decrease) in Current Liabilities & Provisions	1,425.48	1,388.80
Cash generated from Operations	**6,589.35**	**5,270.64**
Direct Taxes Paid (net of refunds)	(580.77)	(317.52)
Interest Income Received (as shown in Schedule "K")	4.75	3.87
Net Cash Inflow/(Outflow) in course of Operating Activities	**6,013.33**	**4,956.99**
B. Cash Flow arising from Investing Activities :		
Acquisition/Purchase of Fixed Assets/CWIP	(1,811.34)	(3,921.28)
Sale Proceeds of Fixed Assets	15.02	67.15
(Purchase)/Sale of Investments (net)	(1,574.38)	(3,311.39)
Loan to Subsidiaries	(278.00)	(286.00)
Interest Received	162.27	113.33
Dividend Received	66.34	37.28
Net Cash Inflow/(Outflow) in course of Investing Activities	**(3,420.09)**	**(7,300.91)**
C. Cash Flow arising from Financing Activities :		
Proceeds from Issue of Share Capital (Including Share Premium & Net of share issue expenses)	3,805.66	8.68
Proceeds from Long Term & Short Term Borrowings(net of repayments)	(3,354.93)	8,286.71
Buy Back of Foreign Currency Convertible Bonds (FCCBs)	–	(2,431.57)
Dividend Paid (including Dividend Distribution Tax)	(257.53)	(257.62)
Interest Paid	(1,216.92)	(566.65)
Net Cash Inflow/(Outflow) in course of Financing Activities	**(1,023.72)**	**5,039.55**
Net Increase in Cash & Cash equivalents (A+B+C)	1,569.52	2,695.63
Add: Cash & Cash Equivalents at the beginning of Year (including Balance in Dividend Accounts)	2,789.31	76.72
Cash & Cash Equivalents at the close of the Year (including Balance in Dividend Accounts)	**4,358.83**	**2,772.35**
Cash & Cash Equivalents Comprise:		
Cash and Bank Balances	4,342.21	2,789.31
Unrealised Exchange Difference on Foreign Currency Cash and Cash Equivalents	16.62	(16.96)
	4,358.83	**2,772.35**

Notes: 1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements", notified by the Central Government of India.

2) Purchase of fixed assets includes movement of Capital Work-in-Progress during the year.

3) Closing Cash & Cash Equivalents includes ₹ 3,877.37 million (Previous Year ₹ 6.83 million) which can be utilised for specific purposes.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in million)

As at 31st March,		*2010*	*2009*
A. SHARE CAPITAL			
Authorised			
550,000,000	Equity Shares of ₹ 1 each	550.00	550.00
	(Previous Year 550,000,000 Equity Shares of ₹ 1 each)	550.00	550.00
Issued & Subscribed			
158,811,775	Equity Shares of ₹ 1 each	158.81	147.57
	(Previous Year 147,574,258 Equity Shares of ₹ 1 each)	158.81	147.57
Paid up			
158,779,775	Equity Shares of ₹ 1 each	158.78	147.54
	(Previous Year 147,542,258 Equity Shares of ₹ 1 each)		
	Add: Equity Shares Forfeited (paid-up)	0.02	0.02
		158.80	147.56

Notes:

1) The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2011 (FCCB 2011) for an aggregate value of USD 200 million, convertible at any time between 30th June, 2006 to 10th May, 2011 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one equity share at an initial conversion price of ₹ 413.4498 per share with a fixed rate of exchange of ₹ 45.05 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 19th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 20th May, 2011 at 142.429% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. USD 57.90 million Bonds were bought back at a discount in financial year ended 31st March, 2009, and the same were cancelled.

   The outstanding balance of FCCB 2011 - USD 142.10 million, on conversion would result in allotment of 15,483,391 equity shares of ₹ 1 each.

2) The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2010 (FCCB 2010) for an aggregate value of USD 75 million, convertible at any time between 3rd July, 2005 to 14th May, 2010 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one equity share at an initial conversion price of ₹ 273.0648 per share with a fixed rate of exchange of ₹ 43.35 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 23rd May, 2008, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 24th May, 2010 at 138.383% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. USD 22.343 million were converted upto 31st March, 2010 into equity shares and this represents 3,547,022 shares of ₹1 each as on 31st March, 2010 and USD 3 million Bonds were bought back at a discount in the financial year ended 31st March, 2009 and the same were cancelled.

   The outstanding balance of FCCB 2010 - USD 49.657 million, on conversion would result in allotment of 7,883,231 equity shares of ₹ 1 each.

3) The Company issued 1.5% Foreign Currency Convertible Bonds due 2009 (FCCB 2009) aggregating USD 35 million, in the year 2004-05. The Bonds were convertible at any time between 14th June, 2004 and 15th April, 2009 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one Equity Shares at an initial conversion price of ₹ 163.646 per share with a fixed rate of exchange on conversion of ₹ 44.805 = USD 1. The Bonds could also be redeemed, in whole but not in part, at the option of the Company at any time on or after 14th May, 2007 and prior to 8th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds were to be redeemed on 15th May, 2009 at 113.70% of their principal amount. The FCCBs were listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2009, USD 34.70 million were converted upto 31st March, 2009 into equity shares and this represents 9,500,521 shares of ₹ 1 each and balance of USD 0.30 million was redeemed during the year.

4) Under the Jubilant Employees Stock Option Plan;

   a) Options in force as of 31st March, 2010 - 365,331 options convertible into 1,826,655 shares of ₹ 1 each.

   b) 170,248 vested options have been exercised upto 31st March, 2010 and out of which 736,405 shares were allotted/transferred from Jubilant Employees Welfare Trust.

5) Paid up capital includes :

a) 43,990,695 equity shares of ₹ 1 each fully paid allotted and issued in 2003-04, as bonus shares by capitalisation of Capital Redemption Reserve in accordance with the resolution passed by the shareholders dated 28th February, 2004.

b) 1,644,020 equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation of erstwhile Ramganga Fertilizers Ltd. with the Company for consideration other than cash in 1994-95. {761,780 equity shares of ₹ 1 each allotted to Vam Investments Ltd. and 159,420 equity shares of ₹ 1 each allotted to Vam Leasing Ltd. were cancelled during the year 2002-03 - Refer note no. 6 below}.

c) 5,064,000 equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation to shareholders of erstwhile Anichem India Ltd. and of erstwhile Enpro Specialty Chemicals Ltd. with the Company for consideration other than cash in 1999-00. {1,620,970 Equity shares of ₹ 1 each allotted to Vam Investment Ltd. and 1,714,000 equity shares of ₹ 1 each allotted to Vam Leasing Ltd. were cancelled during the year 2002-03 -Refer note no. 6 below}.

d) 114,835 , equity shares of ₹ 1 each allotted to employees and directors of Company on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan".

6) Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Allahabad and Hon'ble High Court of Delhi, and as contained in the Opening Reference Balance Sheet annexed to the Scheme, the paid up share capital of the Company reduced during the year 2002-03 by cancellation of 2,382,750 and 1,873,420 equity shares of ₹ 1 each fully paid up held by erstwhile Vam Investments Ltd. and Vam Leasing Ltd. respectively as investments in the Company.

(₹ in million)

	As at 31st March, 2009	*Additions/ Created during the year*	*Deductions during the year*	*As at 31st March, 2010*
B. RESERVES AND SURPLUS				
Capital Reserve	22.82			22.82
Capital Redemption Reserve	9.86			9.86
Amalgamation Reserve	13.21			13.21
Securities Premium Account (1)	3,857.83	3,860.09	393.42	7,324.50
General Reserve	3,380.79	2,000.00		5,380.79
Surplus as per Profit & Loss Account	7,557.84	3,631.00	2,370.30	8,818.54
Total	14,842.35	9,491.09	2,763.72	21,569.72
Previous Year	13,639.66	4,473.13	3,270.44	14,842.35

Notes :

(1) a) Additions denote premium on issue of shares during the year.

b) Deductions denote provision of premium on redemption of FCCB's net of tax, exchange loss/gain and share issue expenses (including ₹ 1.10 million payable to Statutory Auditors)

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in million)

As at 31st March,	2010	2009
C. LOANS		
Secured		
A. Loans From Banks		
– Term Loans	6,597.00	15,437.84
[Including ₹ 1,347.00 million (Previous year ₹ 6,187.84 million) in foreign currency]		
– Working Capital	48.34	76.74
B. Loans From Others		
– Term Loans	3,367.50	–
[Including ₹ 3,367.50 million (Previous year ₹ Nil) in foreign currency]		
	10,012.84	15,514.58
Unsecured		
1.5 % Foreign Currency Convertible Bonds-FCCB 2009 *	–	15.22
Zero Coupon Foreign Currency Convertible Bonds-FCCB 2010 *	2,229.60	2,518.60
Zero Coupon Foreign Currency Convertible Bonds-FCCB 2011 *	6,380.29	7,207.31
Deferred Sales Tax Credits	–	0.70
Term Loan from a Bank	1,500.00	–
	10,109.89	9,741.83
*(Refer Note 12 of Schedule "O")		

Notes:

1. Rupee Term Loans amounting to ₹ 5,250.00 million from Corporation Bank and Central Bank of India and External Commercial Borrowings amounting to ₹ 1,347.00 million from State Bank of India New York and Citibank N.A. London are secured by a first pari-passu charge by way of: -
   a. Mortgage of the immovable fixed assets situated at Bhartiagram, District Jyotiba Phoolay Nagar, Uttar Pradesh and immovable fixed assets situated at Village Samlaya, Taluka Savli, District Vadodara, Gujarat and
   b. Hypothecation on the entire movable fixed assets, both present and future pertaining to all manufacturing facilities of the Company.
2. Other Term Loan in Foreign Currency amounting to ₹ 3,367.50 million from Housing Development Finance Corporation Limited is secured by First Mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Chittorgarh, Bharuch and at Ambernath owned by subsidiaries.
3. Working Capital Facilities sanctioned by Consortium of Banks and notified Financial Institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, Canara Bank, Export Import Bank of India, ING Vysya Bank Ltd., Central Bank of India and Standard Chartered Bank are secured by a first charge by way of hypothecation, ranking pari-passu inter-se Banks, of the entire book debts and receivables of the Company and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include Commercial Paper Programme of ₹ 1,000 million as sublimit carved out from the funded limits, against which the balance outstanding as at 31st March, 2010 ₹ Nil.
4. Secured Loans (excluding working capital loans) include loans of ₹ 224.50 million (Previous Year ₹ 1,545.16 million) repayable within one year.

(₹ in million)

As at 31st March,	2010	2009
D. DEFERRED TAX LIABILITY		
Deferred Tax Liabilities	2,294.68	1,937.81
Deferred Tax Assets	244.93	672.26
Deferred Tax Liabilities (Net)	2,049.75	1,265.55
(Refer Note 17(A) of Schedule "O")		

E. FIXED ASSETS

(₹ in million)

	GROSS BLOCK - COST / BOOK VALUE				DEPRECIATION / AMORTIZATION				NET BLOCK	
Description	*Total as at 31st March 2009*	*Additions/ adjustments during the year*	*Deductions/ adjustments during the year*	*Total as at 31st March 2010*	*Total as at 31st March 2009*	*Provided during the year*	*Deductions/ adjustments during the year*	*Total as at 31st March 2010*	*As at 31st March 2010*	*As at 31st March 2009*
Land										
(a) Freehold	300.12	39.16		339.28					339.28	300.12
(b) Leasehold	444.73			444.73					444.73	444.73
Buildings										
(a) Factory	1,001.40	23.64	15.52	1,009.52	133.57	32.54		166.11	843.41	867.83
(b) Others (1)	929.06	24.03	14.68	938.41	103.23	14.60		117.83	820.58	825.83
Railway Sidings	113.88			113.88	0.69	6.01		6.70	107.18	113.19
Plant & Machinery	15,760.03	1,309.83	341.63	16,728.23	4,756.40	522.01	15.36	5,263.05	11,465.18	11,003.63
Vehicles	59.31	0.88		60.19	26.97	9.82		36.79	23.40	32.34
Office Equipments	213.15	27.42	5.07	235.50	99.75	30.00	3.11	126.64	108.86	113.40
Furniture & Fixtures	294.82	15.97	3.92	306.87	70.74	21.54	1.93	90.35	216.52	224.08
Intangibles										
a) Internally generated										
– Patents/Market Authorisation	50.63	169.22		219.85	36.10	6.12		42.22	177.63	14.53
b) Other										
– Rights	46.76			46.76	44.06	0.36		44.42	2.34	2.70
– Software	36.76	26.00		62.76	11.30	8.05		19.35	43.41	25.46
Total	19,250.65	1,636.15 (2)	380.82 (4)	20,505.98	5,282.81	651.05	20.40	5,913.46	14,592.52	13,967.84
Previous Year	13,789.32	5,522.14	60.81	19,250.65	4,565.76	746.21	29.16	5,282.81		
Capital Work in Progress [Including capital advances, project expenses pending capitalisation & also including R&D expenditure in the nature of intangibles of ₹ 1,197.34 million (Previous year ₹ 997.83 million)]									2,721.93	2,690.86
									17,314.45	16,658.70

Notes :

(1) Building includes ₹ 500 being cost of share in Co-operative Housing Society.

(2) Includes ₹ 224.66 million in respect of R&D Assets.

(3) Title Deeds pertaining to land at Gajraula purchased during the year 2007-08, measuring 2.80 acres are yet to be registered in the name of Company.

(4) Deductions Include ₹ 342.18 million towards adjustment of Foreign Exchange Gain (Refer Note 20 of Schedule "O")

(5) Capital Research and Development Expenditure aggregating to ₹ 597.36 million incurred during the year is included in addition to fixed assets/capital work in progress.

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in million)

As at 31st March,			*2010*	*2009*
F. INVESTMENTS : (At Cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Trade Investments (Long Term)		
		In Subsidiary Companies		
		A) Fully paid Equity Shares		
375 (375)	No Par Value	– Jubilant Organosys (USA) Inc.	17.11	17.11
13,900,000 (13,900,000)	EURO 1	– Jubilant Pharma N.V. (Belgium)	743.79	743.79
273,988,994 (232,393,994)	USD 1	– Jubilant Pharma Pte. Ltd. (Singapore)	12,682.59	10,716.13
200 (200)	No Par Value	– Clinsys Holdings Inc. (USA)	1,660.44	1,660.44
29,244,000 (27,900,000)	₹ 10	– Jubilant Infrastructure Ltd.	377.40	279.00
8,488,630 (8,380,290)	₹ 10	– Jubilant First Trust Healthcare Ltd.	391.75	386.75
5,80,000 (1,00,000)	₹ 10	– Speciality Molecules Ltd.	310.70	214.70
		B) Preference Shares		
		– Jubilant Chemsys Ltd.		
14,400,000 (26,450,000)	₹ 10	6% Optionally Convertible Non-Cumulative Redeemable Preference Shares fully paid.	144.00	264.50
18,600,000 (18,600,000)	₹ 10	8% Optionally Convertible Non-Cumulative Redeemable Preference Shares fully paid.	186.00	186.00
		– Clinsys Clinical Research Ltd.		
20,850,000 (20,850,000)	₹ 10	6% Optionally Convertible Non-Cumulative Redeemable Preference Shares fully paid up	208.50	208.50
6,200,000 (6,200,000)	₹ 10	8% Optionally Convertible Non-Cumulative Redeemable Preference Shares fully paid up	62.00	62.00
		– Speciality Molecules Ltd.		
– (4,000,000)	₹ 10	12% Optionally Convertible Non-Cumulative Redeemable Preference Shares fully paid up	–	40.00
		Non Trade Investments		
4,550,000 (1,550,000)	₹ 10	Forum 1 Aviation Ltd. Equity Shares fully paid up	45.50	15.50

(₹ in million)

As at 31st March,			2010	2009
F. INVESTMENTS : (At Cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Current Investments		
		Investment in Mutual Funds		
– (19,978,313)	₹ 10	Principal Floating Rate Fund FMP - Institutional Option - Dividend Reinvestment Daily	–	200.03
– (161,270,058)	₹ 10	Canara Robeco Treasury Advantage Institutional Daily Dividend Fund.	–	2,000.89
– (99,901)	₹ 1000	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	–	100.02
50,767,483 (–)	₹ 10	Religare Short term Plan - Institutional Daily Dividend	510.66	–
350,609 (–)	₹ 1000	UTI-Treasury Advantage Fund- Institutional Plan (Daily Dividend)	350.68	–
100,090,569 (–)	₹ 10	LIC MF Income Plus - Fund Daily Dividend Plan	1,000.91	–
			18,692.03	17,095.36
		Aggregate NAV of Current Investments	1,862.25	2,300.94

Notes: (1) Figures in ( ) are in respect of previous year.

(2) During the year, the following current investments (Non-Trade) were purchased and sold:

i) 69,534,828 - Units of ICICI Prudential Flexible Income Plan Premium - Daily Dividend at cost of ₹ 700.00 million.

ii) 74,642,368 - Units of HDFC Floating Rate Income Fund Short Term Plan - Dividend Reinvest at cost of ₹ 750.00 million.

iii) 442,184,523 - Units of SBI SHF- Ultra Short Term Fund - Institutional Plan - Daily Dividend at cost of ₹ 6,800.00 million.

iv) 51,729,919 - Units of Principal Floating Rate Fund FMP - Insti Option - Growth Plan at cost of ₹ 650.03 million.

v) 47,806,463 - Units of Religare Short term Plan - Institutional Daily Dividend at cost of ₹ 500.00 million.

vi) 679,867 - Units of Reliance Money Manager Fund - Institutional Option Daily Dividend Plan at cost of ₹ 700.02 million.

vii) 933,391 - Units of UTI - Treasury Advantage Fund - Institutional Plan (Daily Dividend) at cost of ₹ 1,000.00 million.

viii) 24,996,251 - Units of IDFC Money Manager Fund - TP - Super Inst. Plan C - Daily Dividend at cost of ₹ 250.00 million.

ix) 41,971,459 - Units of Birla Sunlife Saving Fund- Inst.-Daily Dividend - Reinvest at cost of ₹ 420.00 million.

x) 29,794,388 - Units of Kotak Floater Long Term - Daily Dividend at cost of ₹ 300.00 million.

xi) 186,693,356 - Units of Canara Robeco Treasury Advantage Institutional Daily Dividend Fund at cost of ₹ 2,350.89 million.

xii) 150,000,000 - Units of LIC MF Income Plus - Fund Daily Dividend Plan at cost of ₹ 1,500.00 million.

xiii) 49,942,067 - Units of Franklin Templeton Mutual Fund at cost of ₹ 500.00 million.

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in million)

As at 31st March,	2010	2009
G. CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Inventories: (Including in Transit & with Third Parties)		
– Raw Materials	2,010.94	1,407.46
– Stores, Spares, Process Chemicals,Catalyst,Fuels & Packing Material	534.11	411.23
– Process Stocks	550.89	498.43
– Finished Goods (including Trading Goods)	1,151.16	1,017.14
	4,247.10	3,334.26
Sundry Debtors		
Unsecured		
– Over Six Months - Good (1)	236.29	188.50
– Doubtful	28.91	6.79
– Other Debts - Good (1)	2,836.76	3,371.03
	3,101.96	3,566.32
Less: Provision for Doubtful Debts	28.91	6.79
	3,073.05 (2)	3,559.53
Cash & Bank Balances		
– Cash in hand and as Imprest	3.34	4.20
– Cheques/Drafts in hand	162.60	76.28
– With Scheduled Banks		
– On Current Accounts(3)	3,893.02	773.43
– On Dividend Account	11.09	9.69
– On Deposit Accounts (4)	155.07	1,519.46
– With Non Scheduled Banks (5)	117.09	406.25
	4,342.21	2,789.31
Loans And Advances		
(Unsecured, Considered good)		
– Loans to – Subsidiaries (including interest accrued)	1,361.80	1,083.80
– Jubilant Employees Welfare Trust(6)	423.21	567.85
– Advances recoverable in cash or in kind or for value to be received (7)	1,062.02	1,096.92
– Deposits	95.30	105.95
– Deposits / Balances with Excise / Sales Tax Authorities (8)	818.41	845.71
– Advance Payment of Income Tax / Wealth Tax (including TDS)	600.33	336.36
– MAT Credit Entitlement	1,482.31	694.21
	5,843.38	4,730.80
	17,505.74	14,413.90

(1) Includes, Subsidy receivable:
 a) Due over six months - ₹ 43.26 million (Previous year ₹ 87.12 million).
 b) Others - ₹ 172.46 million (Previous year ₹ 289.75 million).

(2) Debtors are net of bills discounting with a bank amounting to ₹ 850.00 million.

(3) Includes ₹ 3,871.33 million in Escrow Account consequent upon allotment of Shares as on 31st March, 2010.

(4) Includes Margin Money - ₹ 3.06 million (Previous year ₹ 2.39 million).

(5) Maximum Balance outstanding during the year:
 a) ₹ 0.90 million (Previous year ₹ 0.86 million) with ICICI Bank UK Ltd.
 b) ₹ 205.04 million (Previous year ₹ 1,020.38 million) with SBI New York.
 c) ₹ 243.46 million (Previous year ₹ 533.45 million) with Citibank N.A., Hong Kong
 d) ₹ 6.83 million (Previous year ₹ 685.08 million) with Citibank N.A., Escrow A/c, Hong Kong.

(6) Net of deferred tax of ₹ 11.69 million recoverable (Refer Note 6 of Schedule "O").

(7) Includes Export Benefits Receivables - ₹ 201.26 million (Previous year ₹ 414.04 million).

(8) Deposits against disputed demands - ₹ 130.60 million (Previous year ₹ 112.32 million).

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in million)

As at 31st March,	*2010*	*2009*
H. CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors and Expenses Payable		
– Due to Micro, Small and Medium Enterprises	22.71	22.69
(Refer Note 10 of Schedule "O")		
– Others	3,028.44	2,499.85
Acceptances	1,869.85	1,116.63
Trade Deposits & Advances	74.22	134.57
Interest Accrued but not due	80.31	148.28
Other Liabilities	106.92	103.11
Investors Education and Protection Fund shall be credited with the following amounts namely:		
– Unclaimed/unpaid Dividends	11.09	9.69
– Unclaimed Fixed Deposits	2.02	2.82
	5,195.56	4,037.64
B) Provisions		
For Dividends on Equity Shares (Including Dividend Distribution Tax)	370.30	258.93
For Income Tax, Wealth Tax & FBT	813.32	320.42
For Retirement/Post retirement Employee Benefits	348.81	332.95
For Others(1)	2,941.85	3,305.47
	4,474.28	4,217.77
Total (A+B)	9,669.84	8,255.41

(1) Includes Premium on redemption of FCCBs - ₹ 2,835.33 million (Previous year ₹ 2,342.30 million) and Provision of loss of ₹ 63.36 million (Previous Year ₹ 942.88 million) on marked to market of unutilised forward contracts outstanding/ interest rate swaps.

(₹ in million)

As at 31st March,	*2010*	*2009*
I. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Payments under Voluntary Retirement Scheme	–	3.29
	–	3.29

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	2010	2009
J. SALES & SERVICES		
Sales	25,255.36	25,512.90
Manufacturing Services (Refer Note 18 of Schedule "O")	24.41	1.72
	25,279.77	25,514.62

(₹ in million)

For the year ended 31st March,	2010	2009
K. OTHER INCOME		
Income from Current Investments (Non-Trade) - Dividend	66.34	37.28
Profit on Sale of Current Investments	22.29	1.46
Gain on Buy-back/Extinguishment of FCCB Debt	–	590.70
Miscellaneous Receipts(1)	168.19	142.50
	256.82	771.94

(1) Includes: a) Income from Utilities & Services provided ₹ 20.62 million (Previous year ₹ 24.73 million) [Tax Deducted at source ₹ 3.05 million - (Previous year ₹ 3.59 million)].

b) Bad Debts recovered ₹ Nil (Previous year ₹ 3.49 million), interest received from Income Tax Department ₹ 4.75 million (Previous year ₹ 3.87 million) and Refund of Sale Tax of ₹ 13.71 million.

(₹ in million)

For the year ended 31st March,		2010	2009
L. INCREASE/(DECREASE) IN STOCKS			
Stock at close	– Process	550.89	498.43
Stock at close	– Finished	1,151.16	1,017.14
		1,702.05	1,515.57
Stock at commencement	– Process	498.43	512.58
Stock at commencement	– Finished	1,017.14	721.13
		1,515.57	1,233.71
Increase/ (Decrease) in Stocks		186.48	281.86
Less: (Increase)/Decrease of Finished & Process Stock of IMFL Business		(21.93)	(0.79)
(Refer Note 18 of Schedule "O")		164.55	281.07

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
M. MANUFACTURING AND OTHER EXPENSES		
Purchases - Traded Goods	1,753.12	1,066.74
Raw & Process Materials Consumed	10,534.36	11,346.96
Power and Fuel	1,994.59	1,807.92
Excise Duty (3)	0.73	21.88
Stores, Spares, Chemicals, Catalyst & Packing Materials Consumed	1,160.84	1,166.64
Processing Charges	185.23	177.48
Repairs – Plant & Machinery	316.07	390.25
– Buildings	30.78	46.82
Salaries, Wages, Bonus, Gratuity & Allowances	1,551.78	1,373.23
Contribution to Provident & Superannuation Fund	99.81	94.28
Staff Welfare Expenses	108.43	92.45
Rent [Net of recoveries - ₹ 0.91 million(PY - ₹ 0.79 million)]	69.94	63.79
Rates & Taxes	25.53	24.30
Insurance [Net of recoveries - ₹ 10.42 million (PY - ₹ 8.95 million)]	58.02	51.78
Advertisement, Publicity & Sales Promotion	73.46	82.47
Traveling & Other Incidental Expenses	178.15	190.91
Office Maintenance	101.27	92.64
Vehicle Running & Maintenance	37.93	41.16
Printing & Stationery	23.52	25.39
Communication Expenses	41.95	51.88
Staff Recruitment & Training	31.99	41.26
Donation(4)	57.09	18.40
Auditors Remuneration – As Auditors	1.70	1.54
– For Tax Audit	0.36	0.40
– For Certification/Limited Review	0.65	0.38
– Out of Pocket Expenses	0.31	0.24
Legal, Professional & Consultancy Charges	96.91	114.15
Freight & Forwarding (including ocean freight)	458.73	444.81
Amortisation/write off - (VRS Expenses)	3.29	13.20
Directors' Sitting Fees	0.69	0.59
Directors' Commission	60.85	22.80
Miscellaneous Expenses	28.94	24.72
Financial Charges includes Foreign Exchange Fluctuation gain of ₹ 1,060.28 million (PY net loss of ₹ 1,961.70 million) and Bank Charges	(982.80)	2,055.42
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	100.84	–
Discounts & Claims to Customer and Other Selling Expenses	266.77	213.36
Commission on Sales	61.46	130.06
Loss/(Gain) on sale/disposal/discard of Fixed Assets/Intangibles (PY - Net of gain of ₹ 52.51 million)	63.87	27.22
Loss/(Gain) on sale of Raw Materials	1.99	(6.01)
Bad Debts/Irrecoverable Advances written off/provided for (Net of write in)	43.35	28.65
	18,642.50	21,340.16

(1) The above expenses are Netted off, after taking into account credit of ₹ 1.49 million (Previous year ₹ 2.01 million) being recoveries.

(2) The above expenditure includes :

a) Expenditure incurred on R&D of ₹ 282.58 million (Previous year ₹ 285.83 million) under various heads of accounts. (Refer Schedule M-1)

b) Prior period adjustments determined during the year are adjusted to respective heads of account of ₹ 4.04 million (Previous year of ₹ 2.81 million).

(3) Excise duty expense denotes provision on stock differential and other claims/payment.

(4) Donation Includes payment of ₹ 25.01 million to General Electoral Trust formed by the Company.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Research & Development Expenses comprises as mentioned hereunder:-

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
M-1. RESEARCH & DEVELOPMENT EXPENSES		
Material Consumption	127.22	131.56
Employee Cost	273.42	256.10
Utilities- Power	25.22	24.80
Others	310.85	412.39
	736.71	824.85
Less: Transferred to Intangibles/Capital Work in Progress	(454.13)	(539.02)
Balance, charged to Revenue	282.58	285.83

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
N. INTEREST		
On Term Loans	1,099.32	564.20
On FCCB	0.03	0.25
On Overdrafts & other Borrowings	49.60	108.35
	1,148.95	672.80
Less: Interest Income (1) [Tax deducted at source ₹ 25.33 million (Previous year ₹ 28.51 million)]	(151.82)	(129.26)
	997.13 (2)	543.54 (2)

(1) Includes ₹ 113.41 million (Previous year ₹ 85.62 million) earned from Subsidiary Companies and ₹ 36.23 million (Previous year ₹ 41.90 million) earned on Deposits from Bank.

(2) Net of Interest Capitalisation. (Refer Note 15 of Schedule "O")

O NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

Notes to the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting / Preparation

The financial statements of Jubilant Organosys Ltd. (the Company) have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified by the Central Government of India and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian rupees rounded off to the nearest million

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognised in the period in which such results are known/materialised.

B. a. Fixed Assets and Depreciation

(i) Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/ amortisation. The cost of fixed assets includes effect of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value/fair value ascertained by the valuers.

Insurance spares / standby equipments are capitalised as part of the mother assets and are depreciated at the applicable rates, over the remaining useful life of the mother assets. Such spares are charged off, on issue for Consumption.

Interest on loans and other financial charges in respect of qualifying assets and preoperative expenses including Trial Run Expenses (Net of trial run receipts, if any) for projects and/or substantial expansion up to the date of commencement of commercial production/ stabilisation of the project are capitalised.

(ii) Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), on the original cost/ acquisition cost of assets and read with the statement as mentioned herein under. Certain plants were classified as continuous process plants from the financial year ended 31st March, 2000 and such classification has been done on technical assessment, (relied upon by the auditor being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets as per Schedule XIV to the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated over the useful life estimated as under;

a. R&D related Equipments & Machineries: ten years.

b. Motor Vehicles: five years.

c. Computer & Information Technology related assets: three to five years.

d. Certain employee perquisite - related assets: five years, being the period of the perquisite scheme.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.

Depreciation on exchange fluctuation capitalised is charged over the remaining useful life of assets in line with accounting policy (Refer Note 1 (F) of Schedule "O").

b. Intangible, Market Authorisation and Amortisation

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortised over their estimated useful lives subject to a maximum period of ten years on straight-line basis, commencing from the date the asset is available to the Company for its use.

Cost incurred for product development leading to Market Authorisations are recognised as intangible assets and amortised on a straight-line basis over a period of five to ten years from the date of regulatory approval. Subsequent expenditures on development of such products are also added to the cost of intangibles.

NOTES TO THE ACCOUNTS

Expenditure for acquisition and implementation of Software systems is recognised as intangible assets and amortised on straight-line basis over a period of five year.

c. **Leased Assets: Amortisation/charging off**

(i) Leasehold Land value is not amortised in view of the long tenure of the un-expired lease period/option of conversion to freehold at the expiry of lease tenure.

(ii) Other leased assets: Assets, if any, acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payment in line with the Accounting Standard 19 (AS-19)- "Leases", notified by the Central Government of India. In respect of other leases, lease rentals are charged to Profit and Loss Account.

C. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable Cost at weighted average including an appropriate share of production overheads
Finished goods (traded)	Actual cost of purchase
Goods in transit	Actual cost of purchase

Cost includes all direct costs, cost of conversion and appropriate portion of overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

D. Investments

Long Term quoted investments (non-trade) if any, are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.

Unquoted investments in subsidiaries being of long term and of strategic in nature are valued at cost and no loss is recognised for the fall, if any, in their net worth, unless the diminution in value is other than temporary. Investment in Foreign Subsidiary Companies are expressed in Indian currency at the rates prevailing on the date when the remittance for the purpose was made/ foreign currency balance abroad was used, as the case may be.

Current Investments are valued at Lower of cost or fair value.

E. Income Tax

Current Tax

Current tax expense is based on the provisions of Income Tax Act, 1961 and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is a convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company pay normal income tax during the specified period.

F. Foreign Currency Conversions/ Translations

Transactions in foreign currency are recorded at the exchange rate prevailing on/or closely approximating to the date of transactions. Monetary Assets and Liabilities are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognised as income or expense in Profit & Loss Account over the life of the contract. All other outstanding forward contracts on the closing date are marked to market and resultant gain or loss is recognised as income or expense in the Profit and loss Account.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 31st March, 2009. Accordingly the effect of exchange differences as updated on reporting date, on foreign currency borrowings including FCCBs of the Company is adjusted to cost of fixed assets to the extent it relates to utilisation of funds for acquisition of depreciable capital assets and the balance is accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortised during the balance period of such long term liability but not later than 31st March, 2011.

G. Provisions, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. Contingent Assets are not recognised/disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

H. Research & Development

Revenue expenditure on Research and Development is included under the natural heads of expenditure.

Capital expenditure on Research and Development (R&D) is capitalised as fixed assets. Development cost including regulatory cost and legal expenses leading to Market Authorisation relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits. Other Research & Development cost is expensed as incurred.

I. Employee Benefits

- Short term employee benefit and contribution to defined contribution plans e.g. recognised provident fund, employee state insurance and superannuation scheme are recognised as expense on accrual at the undiscounted amount in the Profit & Loss Account.
- Gratuity and leave encashment which are defined benefits are recognised in the Profit and Loss Account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Profit and Loss account as income or expense. The gratuity liability for certain employees of one of the units of the Company is funded with Life insurance Corporation of India.

J. Borrowing Cost

Borrowing cost includes ancillary cost. Borrowing cost attributable to acquisitions and construction of qualifying assets are capitalised as a part of the cost of such assets up-to the date as mentioned in Note No. B (a) (i) above. Other borrowing costs are charged as expenses in the year in which they arise.

K. Revenue Recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax and value added tax (except excise duty) if any.

Revenue from fixed-price contracts are recorded on a proportional completion basis. Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been satisfied, the amounts are determinable and collection is reasonably assured.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

Any sales for which the Company has acted as an agent without assuming the risks and rewards of ownership have been reported on a net basis.

NOTES TO THE ACCOUNTS

Export incentives/ benefits are accounted for on accrual basis and as per the principles given under Accounting Standard 9 (AS-9) on "Revenue Recognition", notified by the Central Government of India.

L. Miscellaneous Expenditure / Amortisation

(i) Payments under Voluntary Retirement Scheme are amortised over a period of thirty six months commencing from the month in which payment / liability arise.

(ii) FCCB and share issue expenses/premium payable on redemption of FCCBs are adjusted against securities premium account.

M. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks & rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. Revenues, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

N. Earning per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

O. Impairment of Fixed Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

P. Employee Stock Option Schemes

In accordance with the Securities and Exchange Board of India Guidelines, in respect of the stock options granted pursuant to the Company's Stock Option Scheme, the intrinsic value, if any, of the option being the excess of the market price, of share over the exercise price of the option, at the date of grant of option, is treated as discount and accounted as employee compensation cost and amortised on a straight-line basis over the vesting period.

2. Capital Commitments

Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) ₹ 1,235.14 million (Previous year ₹ 629.70 million) [Advances ₹ 115.25 million (Previous year ₹ 113.89 million)].

3. Contingent liabilities

a) Claims/Demands for the following matters in respect of which proceedings or appeals are pending and are not acknowledged as debts:

(₹ in million)

As at 31st March,	*2010*	*2009*
Central Excise	32.27	23.18
Customs	40.69	74.67
Sales Tax	48.82	48.01
Income Tax	189.05	162.36
Service Tax	34.62	3.12
Others	144.27	59.48

b) The Company has challenged the levy of transport fee by State of Maharashtra on consumption of rectified spirit and molasses in the Nira factory. The order of State imposing the levy was stayed by the Hon'ble Mumbai High Court on 22nd October, 2001. The Company has been advised that the levy of transport fee on rectified spirit and molasses by State is not tenable. However, the Company has deposited ₹ 6.28 million under protest out of the total transport fee of ₹ 133.74 million.

c) Outstanding guarantees furnished by Banks on behalf of the Company/by the Company including in respect of Letters of Credits is ₹ 2,605.60 million (Previous year ₹ 1,066.75 million).

d) The Company has given Corporate Guarantee on behalf of its subsidiaries, HSL Holdings Inc. & Draxis Specialty Pharmaceuticals Inc., to ICICI Bank UK, PLC. & ICICI Bank, Canada for USD 50 million (effective guarantee as at 31st March, 2010 USD 31.25 million) and USD 50.21 million respectively (total effective guarantee equivalent to ₹ 3,657.59 million), to secure financial facility granted by them.

e) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty are remaining outstanding is ₹ 434.05 million (Previous year ₹ 1,101.50 million). Similarly Export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 1,011.82 million (Previous year ₹ 558.01 million).

f) The Company has challenged the increase in denaturing fee by the State of Uttar Pradesh w.e.f. 1st April, 2004 on denaturing of rectified spirit in the Gajraula factory before the Hon'ble Allahabad High Court and the writ petition has been admitted by the court. The Company has deposited ₹ 19.11 million under protest which is shown as deposits.

g) Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million. In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

h) The Company has challenged the levy of license fees of ₹ 2.87 million by State of Uttar Pradesh, for grant of PD-2 license for manufacture of Ethyl Alcohol for industrial use, before the Hon'ble Allahabad High Court. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

4. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Company is entitled to a refund of ₹ 84.06 million as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount.

5. In order to bring uniformity in accounting policy, beginning 1st April 2009, the depreciation method, in respect of certain assets has been changed from written down value method to straight line method with retrospective effect as per Accounting Standard 6 (AS-6) and consequent effect is cumulative lower depreciation charge by ₹ 311.64 million. Due to the effect of such change in the policy, the depreciation charge for the current year is also lower by ₹ 347.13 million for the year and the profit after tax is higher by similar amount.

6. The deferred tax liability is net of amount recoverable from the Employees Welfare Trust towards the tax chargeable on the income of trust on which the tax is payable by the Company.

7. Amount of Proposed Dividend includes dividend distribution tax of ₹ 52.74 million. This dividend distribution tax has been calculated considering the reduction in surcharge rate from existing 10% to 7.5% by the Finance Bill, 2010

8. Loans to Subsidiary Companies repayable on demand, including interest accrued thereon, namely, Jubilant Biosys Ltd. - ₹ 1,361.80 million (Previous year ₹ 1,083.80 million). {Maximum amount due at any time during the year, Jubilant Biosys Ltd. - ₹ 1,475.21 million (Previous year ₹ 1,148.53 million), Jubilant Pharma Pte. Ltd. Singapore- ₹ 2,328.12 million (Previous year ₹ 223.12 million)}.

9. Maximum balance outstanding, during the year, recoverable from following Companies in which Directors are interested, Jubilant Enpro Pvt. Ltd. - ₹ 1.89 million, Jubilant Oil & Gas Pvt. Ltd. - ₹ 2.62 million and B &M Hot Breads Pvt. Ltd. - ₹ 0.07 million. However, there are no outstanding against these companies as at 31st March, 2010.

NOTES TO THE ACCOUNTS

10. Micro and Small Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

As at 31st March,	*2010*	*2009*
Principal amount payable to suppliers	22.71	22.69
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

11. The Company allotted 11,237,517 Nos. of Equity Share of ₹ 1 each at a premium of ₹ 343.50 to Qualified Institutional Buyers (QIB) on 31st March, 2010. The entire proceeds of the issue amounting to ₹ 3,871.33 million were lying in Escrow Accounts at 31st March, 2010.

12. Foreign Currency Convertible Bonds (FCCB)

(A) 1.5 % FCCB -USD 35 million (FCCB 2009)

The Company issued 1.5% Foreign Currency Convertible Bonds due 2009 (FCCB 2009) aggregating USD 35 million, in the year 2004-05. The Bonds were convertible at any time between 14th June, 2004 and 15th April, 2009 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share at an initial conversion price of ₹ 163.646 per share with a fixed rate of exchange on conversion of ₹ 44.805 = USD 1. The Bonds could also be redeemed, in whole but not in part, at the option of the Company at any time on or after 14th May, 2007, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds were to be redeemed on 15th May, 2009 at 113.70% of their principal amount. The FCCBs were listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2009, USD 34.70 million were converted upto 31st March, 2009 into equity shares and this represents 9,500,521 shares of ₹ 1 each as on 31st March, 2009. The balance bonds of USD 0.30 million outstanding as of 31st March, 2009 were redeemed during the year. The proceeds were utilised for funding new projects & expansion of existing units - ₹ 795.4 million (USD 17.1 million), investment in/acquisition of overseas subsidiary companies - ₹ 722.0 million (USD 16.8 million) and issue expenses - ₹ 50.7 million (USD 1.1 million).

(B) FCCB - USD 75 million (FCCB 2010)

The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2010 (FCCB 2010) for an aggregate value of USD 75 million, convertible at any time between 3rd July, 2005 to 14th May, 2010 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share of ₹ 1 each at an initial conversion price of ₹ 273.0648 per share with a fixed rate of exchange of ₹ 43.35 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 23rd May, 2008, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 24th May, 2010 at 138.383% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2010, USD 22.343 million were converted upto 31st March, 2009 into equity shares and this represents 3,547,022 shares of ₹ 1 each as on 31st March, 2009 and USD 3 million Bonds were bought back at a discount and were cancelled upto 31st March, 2009. The balance bonds of USD 49.657 million outstanding as of 31st March, 2010 are included under 'Unsecured Loans'.

The outstanding balance of FCCB 2010 - USD 49.657 million, on conversion would result in allotment of 7,883,231 equity shares of ₹ 1 each.

The proceeds of FCCB 2010 have been used for funding new projects & expansion of existing units - ₹ 1,384.1 million (USD 32.2 million), investment in/acquisition of overseas subsidiary companies - ₹ 1,827.9 million (USD 41.0 million), issue expenses - ₹ 78.0 million (USD 1.8 million).

(C) FCCB - USD 200 million (FCCB 2011)

The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2011 (FCCB 2011) for an aggregate value of USD 200 million, convertible at any time between 30th June, 2006 to 10th May, 2011 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share at an initial conversion price of ₹ 413.4498 per share with a fixed rate of exchange of ₹ 45.05 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 19th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 20th May, 2011 at 142.429% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2011, USD 57.90 million Bonds were bought back at a discount and cancelled upto 31st March, 2009. The balance bonds of USD 142.10 million outstanding as of 31st March, 2010 are included under 'Unsecured Loans'.

The outstanding balance of FCCB 2011 - USD 142.10 million, on conversion would result in allotment of 15,483,391 equity shares of ₹ 1 each.

The proceeds of FCCB 2011 have been used for funding new projects -₹ 13.5 million (USD 0.30 million), investment in/acquisitions of overseas subsidiary companies - ₹ 8,873.0 million (USD 196.96 million) and issue expenses - ₹ 123.4 million (USD 2.74 million). There has been no conversion during the year in respect of the above FCCBs.

13. Employee Stock Option Scheme

In terms of approval of shareholders accorded at the AGM held on 29th August, 2005 and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Company instituted Jubilant Employees Stock Option Plan, 2005 ("Plan") for specified categories of employees and directors of the Company and its Subsidiaries. Under the Plan as amended, upto 1,100,000 Stock Options can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ Subsidiaries. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. The Options granted upto 28th August, 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. The Options granted after 28th August, 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Summary of Vesting & Lock in provisions is given below:

Vesting Schedule (With Lock in) Applicable for Grants made upto 28th August, 2009				*Vesting Schedule (Without Lock in) Applicable for Grants made after 28th August, 2009*		
S. No	*% of Options scheduled to vest*	*Vesting Date*	*Lock-in Period*	*% of Options scheduled to vest*	*Vesting Date*	*Lock-in Period*
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil
4.	25	2 years from grant date	2 year from vesting date	25	4 years from grant date	Nil
5.	30	2 years from grant date	3 year from vesting date	30	5 years from grant date	Nil

The Company has constituted a Compensation Committee comprising of a majority of independent directors. This Committee is empowered to administer the Scheme.

In 2008-09, Jubilant Employees Welfare Trust was constituted for the purpose of acquisition of equity shares of the Company from the Secondary market or subscription of shares from the Company, to hold the shares and to allocate/ transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the Plan. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the trust as at 31st March, 2010 is ₹ 423.21 million (Previous year ₹ 567.85 million). Till date, the Trust has purchased 5,371,747 equity shares of the Company from the open market, out of interest free loan provided by the Company, out of which 736,405 shares were transferred to the employees on exercise of ESOPS during the year.

NOTES TO THE ACCOUNTS

During the year, the following options were granted to eligible directors/ employees:

Date of grant	*Number of options granted*	*Exercise Price per Share (₹)*	*Market Price (₹) (As per SEBI Guidelines)**
22nd October, 2009	41,523	221.60	221.60

* Based on closing price on 21st October, 2009 at NSE

The movement in the stock options during the year ended 31st March, 2010 is set out below:

	Number
Options outstanding at the beginning of the year	518,473
Granted during the year	41,523
Expired/forfeited during the year	(47,384)
Exercised during the year	(147,281)
Options outstanding at the end of the year	365,331

14. The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancelable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses.

15. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 69.65 million (Previous Year ₹ 220.09 million) and preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amounting to ₹ 188.56 million(Previous Year ₹ 78.44 million) have been capitalised/pending capitalisation up to the date of commercial production/stabilisation of the project. Preoperative expenses include lease rent ₹ 4.92 million payable to a subsidiary company. The said expenditure (net of trial run receipts), so capitalised are accumulated as Capital work in progress and have been allocated to respective Fixed Assets to the extent fixed assets were put to use and balance is appearing in Capital work in progress.

16. The carrying value of internally generated Intangible Asset - Product Development including under progress is reviewed for impairment annually. Accordingly a sum of ₹ 62.63 million (Previous Year ₹ 79.49 million) has been written off during the year.

17. (A) Deferred Tax Assets and Liabilities are attributable to the following items:

(₹ in million)

As at 31st March,	*2010*	*2009*
Deferred Tax Assets		
Provision for Leave Encashment and Gratuity	115.87	113.17
Amount disallowed u/s 43 B	10.17	15.49
Accumulated Losses as per Tax Laws	103.21	536.87
Others	15.68	6.73
	244.93	**672.26**
Deferred Tax Liabilities		
Accelerated Depreciation/Amortisation	1,896.83	1,598.65
Difference in value of CWIP/Intangibles	397.85	339.16
	2,294.68	**1,937.81**
Deferred Tax Liabilities (Net)	**2,049.75**	**1,265.55**

(B) The profit attributable to the operations under the (EOU) Export Oriented Units Scheme are deductible from taxable income for the year ended 31st March, 2010 and accordingly income from EOU setup at Nanjangud, Mysore, and at Bhartiagram, Jyotiba Phoolay Nagar (Gajraula), Uttar Pradesh have been considered as tax deductible, and provision for tax is made accordingly.

18. The bottling unit of the Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another Company and is charging bottling fee. The Accounts recognise Revenue and Expenditure, only to the extent the Company enjoys beneficial interest.

NOTES TO THE ACCOUNTS

In Compliance with the requirements of Schedule VI to the Companies Act, 1956, the following information is given hereunder in respect of the transactions where the Company does not enjoy beneficial interest.

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Sales	286.37	24.42
Excise Duty	(123.31)	(8.92)
Other Income	0.92	1.14
Increase/(Decrease) in Finished & Process Stocks	21.93	0.79
Raw & Process Materials Consumed	(53.82)	(7.97)
Stores, Spares, Chemicals, Catalyst & Packing Materials consumed	(71.63)	(3.59)
Other Expenses	(36.05)	(4.15)

19. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions:

(₹ in million)

Sr. No.	*Particulars of disclosure*	*Class of Provisions*	
		Excise Duty	*Premium on redemption of FCCBs*
1	Balance as at 1st April, 2009	35.35 (34.63)	2,342.30 (1,633.37)
2	Additional provision during 2009-2010	60.96 (35.35)	495.05 (1,129.20)
3	Provision used during 2009-2010	35.35 (34.63)	2.02 (–)
4	Provision reversed during 2009-2010	– (–)	– (420.27)
5	Balance as at 31st March, 2010	60.96 (35.35)	2,835.33 (2,342.30)

Provision for excise duty represents the excise duty on closing stock of finished goods.

20. The Company has opted for accounting the exchange difference arising on reporting of long term Foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 31st March, 2009. Accordingly during 2008-09 the Company had capitalised exchange difference amounting to ₹ 1,130.81 million to the cost of fixed assets and ₹ 1,596.03 million to foreign currency monetary item translation difference account (FCMITDA) including reversal of exchange gain amounting to ₹ 1,030.57 million credited to Profit & Loss account in the 2007-08. During the year ₹ 1,436.57 millions were reversed from the FCMITDA on account of exchange difference and ₹ 100.84 million were amortised. The balance ₹ 58.62 million in FCMITDA will be amortised on or before March, 2011.

21. The Company uses derivative financial instruments such as forward contracts and currency swaps to selectively hedge its currency exposures, firm commitments and highly probable forecast transactions, denominated in USD and EURO. Usually, the forward contracts mature within two years. The Company also enters into interest rate swaps to selectively hedge its interest rate exposures. The Company actively manages its currency/interest rate exposures through a centralised treasury setup and uses derivatives to mitigate the risk from such exposures.

No derivative transactions are entered into for any speculative purpose.

NOTES TO THE ACCOUNTS

The information on derivative instruments is as follows:

i) Derivative instruments outstanding:

As at 31st March,	*Buy/Sell*	*Amount (foreign currency in millions)* 2010		2009	
Foreign Exchange Contracts					
– USD/INR	Sold	USD	32.12	USD	290.00
– USD/INR	Bought	USD	19.79	USD	10.59
– EURO/USD	Sold	EURO	–	EURO	0.69
Currency Swaps					
– Loans of JPY 2,537.50 million (PY JPY 3,920.20 million) swapped into USD		USD	25.00	USD	37.00
Interest Rate Swaps					
– Loans swapped from floating six month USD LIBOR to fixed USD interest rate		USD	65.00	USD	132.50

ii) Foreign currency exposure not hedged by derivative instrument:

As at 31st March,	*Amount (foreign currency in millions)* 2010		2009	
Amount receivable on account of sale of goods & services.	USD	10.47	USD	–
	EURO	4.86	EURO	2.30
	GBP	0.04	GBP	0.04
Amount payable on account of purchase of goods & services, loans, FCCBs, etc.	USD	341.27	USD	346.75
	JPY	0.09	JPY	0.95
Amount outstanding as deposits with Banks	USD	2.85	USD	22.48

iii) Forward contracts not applied for closing monetary assets and liabilities, and interest rate swap contracts, outstanding at the year end are marked to market and the resultant loss of ₹ 63.36 million (Previous Year ₹ 942.88 million) has been charged to Profit and Loss account. The loss on forward contracts cancelled during the year amounting to ₹ 99.58 million has also been charged to Profit & Loss Account.

22. Employee Benefits has been calculated as under:

(A) Defined Contribution Plans

a) Provident Fund

b) Superannuation Fund

During the year the Company has recognised the following amounts in the Profit and Loss account:

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Employers Contribution to Provident Fund	73.28	65.87
Employers Contribution to Superannuation Fund	17.37	18.88

(B) State Plans

a) Employee State Insurance

b) Employee's Pension Scheme 1995

During the year the Company has recognised the following amounts in the Profit and Loss account:

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Employers Contribution to Employee State Insurance	1.43	1.34
Employers Contribution to Employee's Pension Scheme 1995	19.62	19.83

(C) Defined Benefit Plans

a) Gratuity

b) Leave Encashment

The discount rate assumed is 8.30 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Present Value of obligation at the beginning of the year	218.39	223.92	102.88	84.66
Current service cost	24.09	25.33	24.85	18.58
Interest cost	18.12	17.02	8.53	6.44
Actuarial (gain)/loss	(11.45)	(31.15)	(4.48)	4.78
Benefits paid	(26.68)	(16.73)	(16.71)	(11.58)
Present value of obligation at the end of the year	222.47	218.39	115.07	102.88

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Present value of obligation at the end of the year	222.47	218.39	115.07	102.88
Fair value of plan assets at period end	–	–	–	–
Assets/(Liabilities) recognised in the Balance Sheet	(222.47)	(218.39)	(115.07)	(102.88)

Cost recognised for the period(included under Salaries, Wages, Allowances, Bonus and Gratuity):

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Current service cost	24.09	25.33	24.85	18.58
Interest cost	18.12	17.02	8.53	6.44
Actuarial (gain)/loss	(11.45)	(31.15)	(4.48)	4.78
Net cost recognised during the year	30.76	11.20	28.90	29.80

*Excluding for certain employees of Nanjangud Unit.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**

(₹ in million)

	Gratuity	
	2010	*2009*
Present Value of obligation at the beginning of the year	17.00	20.44
Current service cost	3.55	3.42
Interest cost	1.41	1.55
Actuarial (gain)/loss	(1.98)	(7.43)
Benefits paid	(0.56)	(0.98)
Present value of obligation at the end of the year	19.42	17.00

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2010	*2009*
Present value of obligation at the end of the year	19.42	17.00
Fair value of plan assets at period end	8.15	5.32
Funded Status excess of Actual over estimated	0.20	(0.37)
Assets/(Liabilities) recognised in the Balance Sheet	(11.27)	(11.68)

Cost recognised for the period (included under Salaries, Wages, Allowances, Bonus and Gratuity) :**

(₹ in million)

	Gratuity	
	2010	*2009*
Current service cost	3.55	3.42
Interest cost	1.41	1.55
Actuarial (gain)/loss	(2.17)	(7.06)
Expected Return on Plan Asset	(0.48)	(0.37)
Net cost recognised during the year	2.31	(2.46)

** In respect of certain employees of Nanjangud Unit.

NOTES TO THE ACCOUNTS

23. Segment Reporting :

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", notified by the Central Government of India. The Company's Primary Business Segments are organised around customers on industry and product lines as under :

a. Pharmaceuticals and Life Sciences Products & Services : i) Custom Research & Manufacturing Services(CRAMS)-Proprietary Products and Exclusive Synthesis, Active Pharmaceuticals Ingredients(APIs) ii) Pharmaceutical Products- Generics iii) Life Sciences Chemicals-Acetyls iv) Nutrition Ingredients-Nutrition ingredients for Pharma, Human and Animal applications.

b. Agri & Performance Polymers : i) Agri Products-SSP, Agro Chemicals ii) Performance Polymers-Consumer Products, Application Polymers, Food Polymers, Latex and other products.

ii) In respect of Secondary Segment information, the Company has identified its Geographical segments as:

(i) Within India (ii) Outside India.

iii) Inter Segment Transfer Pricing

Inter Segment Transfer prices are based on market prices.

iv) The Financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	*Pharmaceuticals and Life Sciences Products & Services*		*Agri & Performance Polymers*		*Total*	
		2010	*2009*	*2010*	*2009*	*2010*	*2009*
1)	**Revenue**	20,963.35	19,769.80	4,361.83	5,784.65	25,325.18	25,554.45
	Less: Inter Segment Revenue	45.41	39.83			45.41	39.83
	Less: Excise Duty on Sales	636.76	890.37	181.01	317.03	817.77	1,207.40
	Net sales	**20,281.18**	**18,839.60**	**4,180.82**	**5,467.62**	**24,462.00**	**24,307.22**
2)	**Segment results**	6,317.28	4,066.04	190.79	407.32	6,508.07	4,473.36
	Less: Interest (Net)					997.13	543.54
	Other un-allocable expenditure					918.25	1,199.50
	(net of un-allocable income)						
	Total Profit Before Tax	**6,317.28**	**4,066.04**	**190.79**	**407.32**	**4,592.69**	**2,730.32**
3)	**Capital Employed**						
	(Segment Assets - Segment Liabilities)						
	Segment Assets	22,157.29	21,511.89	3,109.18	2,879.94	25,266.47	24,391.83
	Add: Common Assets					28,245.75	23,779.42
	Total Assets	**22,157.29**	**21,511.89**	**3,109.18**	**2,879.94**	**53,512.22**	**48,171.25**
	Segment Liabilities	4,294.13	3,181.21	974.76	998.44	5,268.89	4,179.65
	Add: Common Liabilities					4,400.95	4,075.76
	Total Liabilities	**4,294.13**	**3,181.21**	**974.76**	**998.44**	**9,669.84**	**8,255.41**
	Segment Capital Employed	17,863.16	18,330.68	2,134.42	1,881.50	19,997.58	20,212.18
	Add: Common Capital Employed					23,844.80	19,703.66
	Total Capital Employed	**17,863.16**	**18,330.68**	**2,134.42**	**1,881.50**	**43,842.38**	**39,915.84**
4)	**Segment Capital Expenditure**	1,587.13	5,266.79	29.82	201.53	1,616.95	5,468.32
	Add: Common Capital Expenditure					19.20	53.82
	Total Capital Expenditure	**1,587.13**	**5,266.79**	**29.82**	**201.53**	**1,636.15**	**5,522.14**
5)	**Depreciation & Amortisation (Net)**	629.46	680.91	3.37	47.29	632.83	728.20
	Add: Common Depreciation					18.22	18.01
	Total Depreciation & Amortisation	**629.46**	**680.91**	**3.37**	**47.29**	**651.05**	**746.21**

v) Secondary Segments (Geographical Segments): (₹ in million)

	Particulars	*2010*	*2009*
a)	**Sales revenue by Geographic Location of Customers (Net of Excise Duty)**		
	Within India	13,242.88	13,329.36
	Outside India	11,219.12	10,977.86
	Total	**24,462.00**	**24,307.22**
b)	**Carrying Amount of Segment Assets**		
	Within India	35,934.05	32,512.79
	Outside India	17,578.17	15,658.46
	Total	**53,512.22**	**48,171.25**
c)	**Capital Expenditure**		
	Within India	1,636.15	5,522.14
	Outside India	–	–
	Total	**1,636.15**	**5,522.14**
d)	**Sales revenue by Geographic Markets**		
	India	13,242.88	13,329.36
	Americas & Europe	5,399.40	5,522.13
	China	3,440.91	2,632.48
	Asia & Others	2,378.81	2,823.25
	Total	**24,462.00**	**24,307.22**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.
2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.
3) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
4) In line with the continued strategy to make the Company a focused Pharma and Life Sciences Company, the board has in principle approved business restructuring involving demerger of Agri and Performance Polymer business into a separate Company. Accordingly the reporting segments have been redefined as Pharmaceuticals and Life Sciences Products and Services (PLSPS) and Agri and Performance Polymers (APP) to reflect the results of these two businesses separately. The demerger will be carried out through a court scheme and is subject to necessary regulatory and other approvals/sanctions.

24. A. Related Party Disclosures

1. Related parties where control exists:

a) Subsidiaries including Step-down subsidiaries:

Jubilant Pharma Pte. Ltd. Singapore, Draximage Ltd. Cyprus, Draximage Ltd. Ireland, Draximage LLC. USA., DSPI Inc. USA, Deprenyl Inc. USA, Draxis Specialty Pharmaceuticals Inc. Canada., 6963196 Canada Inc. Canada, 6981364 Canada Inc. Canada, DAHI LLC. USA, DAHI Animal Health (UK) Ltd. UK., Draximage (UK) Ltd. UK., Clinsys Holdings Inc. USA., Clinsys Clinical Research, Inc. USA. Cadista Holdings Inc. USA., Cadista Pharmaceuticals Inc. USA., Colvant Sciences Inc. USA., Cadista Pharmaceuticals (UK) Limited, UK., Jubilant Organosys International Pte. Ltd. Singapore, HSL Holdings Inc. USA. , Hollister-Stier Laboratories LLC. USA., Jubilant Organosys (Shanghai) Ltd. China., Jubilant Pharma N.V. Belgium., Jubilant Pharmaceuticals N.V. Belgium., PSI Supply N.V. Belgium., Jubilant Organosys (USA) Inc. USA., Jubilant Organosys (BVI) Ltd. BVI., Jubilant Biosys (BVI) Ltd. BVI., Jubilant Biosys (Singapore) Pte Ltd. Singapore., Jubilant Biosys Ltd., Jubilant Discovery Services Inc. USA., Jubilant Drug Development Pte. Ltd. Singapore., Jubilant Chemsys Ltd., Clinsys Clinical Research Ltd., Jubilant Infrastructure Ltd., Jubilant First Trust Healthcare Ltd., Asia Healthcare Development Ltd., Speciality Molecules Ltd., Jubilant Innovation (BVI) Ltd., BVI., Jubilant Innovation Pte. Ltd., Singapore. Draximage India Ltd, Hitech Shiksha Ltd., Jubilant Innovation (India) Ltd., Jubilant Innovation (USA) Inc. USA., Draxis Pharma Inc. USA., Draxis Pharma LLC. USA.

b) Other Entities:

Draxis Pharma General Partnership Canada, Draximage General Partnership Canada, Vanthys Pharmaceutical Development Pvt. Ltd (50:50 Joint Venture)

2. Other Related parties with whom transactions have taken place during the year:

a) Enterprise over which certain Key Management Personnel have significant influence:

Jubilant Enpro Pvt. Ltd., Jubilant Oil & Gas Pvt. Ltd., Jubilant Foodworks Ltd., Tower Promoters Pvt. Ltd., Focus Brands Trading (India) Pvt. Ltd., B &M Hot Breads Pvt. Ltd.

NOTES TO THE ACCOUNTS

b) Key Management Personnel:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. S. N. Singh*, Mr. Shyamsundar Bang, Dr. J. M. Khanna, Mr. R. Sankaraiah, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Ananda Mukherjee.

*Employed for part of the year

c) Relatives of Key Management Personnel:

Ms. Asha Khanna (wife of Dr. J. M. Khanna), Ms. Shobha Bang (wife of Mr. Shyamsundar Bang)

d) Others:

Vam Employees Provident Fund Trust, Jubilant Employees Welfare Trust , Jubilant Bhartia Foundation, Vam Officers Superannuation Fund, Amarchand & Mangaldas & Suresh A. Shroff & Co.

3. Transactions with related parties during the year: (₹ in million)

Particulars	*Subsidiaries*	*Enterprise over which certain Key Management Personnel have significant influence*	*Key Mgmt. Personnel & Relatives*	*Others*
Sale of Goods & Services	3,461.85 (2,956.06)	24.41 (1.72)		
Interest on Inter-Corporate Deposits	113.41 (85.62)			
Purchase of Goods & Services	187.01 (173.81)			
Recovery of Expenses & Utilities	86.69 (262.29)	16.43 (27.15)		
Reimbursement of Expenses	12.20 (116.76)	– (3.59)		
Remuneration and Related Expenses			223.44 (161.94)	
Company's Contribution to PF Trust				68.38 (60.47)
Company's Contribution to Superannuation Fund				17.37 (18.88)
Rent paid		42.00 (42.00)	6.88 (6.43)	
Donation				11.40 (8.21)
Share of Licensing Fees	22.99 (–)			
R&D Services Rendered	22.45 (–)			
Professional Services-Fees				4.99 (–)
Lease Rental Paid	4.92 (–)			
Assets purchased (including CWIP)	0.61 (10.97)			
Sale of Assets (including CWIP)	2.49 (–)			
Investments in Equity Share Capital	2,125.86 (1,302.66)			
Investment in Optionally Convertible Non-Cumulative Redeemable Preference Shares	– (67.00)			
Redemption of Optionally Convertible Non-Cumulative Redeemable Preference Shares	120.50 (–)			
Sale/Purchase of Shares	– (189.25)			
Purchase of Shares of Forum 1 Aviation Ltd		30.00 (–)		

(₹ in million)

Particulars	*Subsidiaries*	*Enterprise over which certain Key Management Personnel have significant influence*	*Key Mgmt. Personnel & Relatives*	*Others*
Inter-Corporate Deposits Given	2,606.13 (557.12)			
Inter-Corporate Deposits Received Back/ adjusted against Investment	2,328.13 (271.12)			
Loan to Jubilant Employees Welfare Trust				– (567.85)
Loan Repaid by Jubilant Employees Welfare Trust				144.64 (–)
Housing Loan Given			– (25.00)	
Housing Loan Repayment			– (2.00)	
Inter-Corporate Deposits Outstanding (including interest accrued thereon)	1,361.80 (1,083.80)			
Outstanding Receivables (other than ICD's)	1,158.82 (849.31)	21.00 (21.00)	25.00 (25.00)	423.21 (567.85)
Outstanding Payables	78.04 (96.63)	8.83 (2.34)		
Financial Guarantees on behalf of subsidiaries/step down subsidiaries and outstanding at end of year.	3,657.59 (4,765.70)			

Note: (1) Managerial remuneration - Details as per Note 25 of Schedule "O".
(2) Figures in ( ) indicates in respect of previous year.
(3) Related party relationship is as identified by the Company and relied upon by the Auditors.
(4) No amount has been written off/provided for in respect of dues from or to any related party.
(5) In addition to this, Jubilant Employees Welfare Trust has transferred some shares to Key Management Personnel during the year on payment of exercise price to the trust.

24. B. Promoter Group

Group companies

The Company is controlled by Mr. Shyam S Bhartia/Mr. Hari S Bhartia group ("the promoter group"), being a group as defined in the Monopolies and Restrictive Trade Practices Act, 1969.

The persons constituting the promoter group include individuals and corporate bodies who/which jointly exercise, and are in a position to exercise, control over the Company. The names of these individuals and bodies corporate are Mr. Shyam S Bhartia, Mr. Hari S Bhartia, Mrs. Shobhana Bhartia, Mrs. Kavita Bhartia, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia, Ms. Aashti Bhartia, Master Arjun S Bhartia, Mrs. Namrata Bhartia, Master Agastya Bhartia, Best Luck Vanijya Private Ltd., Enpro Exports Private Ltd., Jaytee Private Ltd., Jubilant Enpro Private Ltd., Jubilant Securities Private Ltd., Jubilant Capital Private Ltd., Rance Investment Holdings Ltd., Cumin Investments Ltd., Torino Overseas Ltd., Vam Holdings Ltd., Nikita Resources Private Ltd., Jubilant Oil & Gas Pvt. Ltd., Enpro Oil Pvt Ltd, Tower Promoters Pvt. Ltd, U C Gas & Engineering Ltd., Asia Infrastructure Development Co Pvt Ltd, Western Drilling Contractors Pvt. Ltd, Jubilant Realty Pvt. Ltd, Jubilant Properties Pvt. Ltd., Indian Country Homes Pvt. Ltd., Jubilant E & P Ventures Pvt. Ltd, Jubilant Retail Pvt. Ltd., Jubilant Retail Holding Pvt. Ltd., Jubilant Motors Pvt. Ltd., Jubilant Retail Consolidated Pvt. Ltd., B & M Hot Breads Pvt. Ltd.

NOTES TO THE ACCOUNTS

25. Details of Remuneration to the Managing Directors, Executive Directors & other Directors under Section 198 of the Companies Act, 1956

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
i) Salaries	21.64	23.11
ii) Rent /Rent Free Accommodation	51.32	52.05
iii) Contribution to Provident Fund and Superannuation Fund	3.60	3.75
iv) Perquisite value of other Benefits (Including retirement benefits paid)	23.98	11.06
v) Commission to Managing Directors	60.00 **	22.00 **
vi) Commission to other Directors (Excluding Executive Directors)	0.85	0.80
	161.39	112.77

The above excludes provision for gratuity/earned leave where Calculations are on overall Company basis.

Calculation of Profit in accordance with Section 198 of the Companies Act, 1956 for the purpose of calculation of Commission payable to Directors.

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Profit before tax as per Profit & Loss Account	4,592.69	2,730.32
Add: Managerial Remuneration as above	161.39	112.77
Directors Sitting Fees	0.69	0.59
Depreciation as per Accounts	651.05	746.21
Net Profit	5,405.82	3,589.89
Less: Depreciation under Section 350 of the Companies Act, 1956	651.05	746.21
Premium on Redemption of FCCB	493.03	708.93
Profit on Sale of Current Investment	22.29	–
Gain on Buy-back/Extinguishment of FCCB Debt	–	590.70
Profit/(Loss) on Sale of Assets(Net)	(63.87)	(27.22)
Net Profit in accordance with Section 198 (I) /349 of Companies Act, 1956 for calculation of Commission to Directors	4,303.32	1,571.27
Commission @ 0.75% (Previous year @ 0.75%) to each Managing Director (Rounded amount)	64.50	23.50
As Determined by the Board & Restricted to:		
**Managing Directors (Previous year ₹ 11.00 million to each)	60.00	22.00
Other Directors (Excluding Executive Directors) ₹ 0.20 million each (Prorata for appointed during the year- Previous year ₹ 0.20 million each).	0.85	0.80

26. (A) Capacities, Stocks, Production and Turnover

S. No.	Class of Goods	Quantitative Denomination	Capacity* Installed	Opening Stock Qty.	Opening Stock ₹in million	Production Qty. @@	Turnover Qty.	Turnover ₹in million	Closing Stock Qty. ##	Closing Stock ₹in million
1.	Alcohol	KBL KBL	161,000 (161,000)	10,443 (481)	231.81 (6.62)	11,977 (88,091)	3,852 (2,356)	116.30 (72.20)	48 (10,443)	0.77 (231.81)
2.	Organic Including Speciality Chemicals & Its Intermediates	M.T M.T	647,013 (602,458)	20,877 (40,282)	457.71 (385.07)	329,057 (362,340)	188,122 (218,047)	16,497.21 (16,510.16)	14,688 (20,877)	581.46 (457.71)
3.	Polymers Including Co-polymers & VP Latex/ SBR latex	M.T M.T	39,960 (37,560)	380 (724)	22.97 (51.58)	23,645 (27,132)	21,289 (27,279)	1,724.02 (2,139.44)	840 (380)	62.08 (22.97)
4.	Single Superphosphate	M.T M.T	429,000 (425,700)	4,060 (18,978)	23.60 (97.16)	254,712 (220,338)	204,744 (235,255)	1,270.08 (2,157.33)	53,890 (4,060)	321.81 (23.60)
5.	Sulphuric Acid	M.T M.T	68,835 (68,835)	1,039 (2,089)	0.07 (19.65)	65,631 (64,538)	30,665 (31,372)	77.08 (213.83)	490 (1,039)	0.17 (0.07)
6.	Dry & Aqueous Choline Chloride & Ethyoxylates	M.T M.T	20,261 (20,261)	157 (563)	12.75 (31.93)	14,015 (9,520)	7,923 (5,803)	459.76 (336.03)	247 (157)	10.48 (12.75)
7.	Feed Premixes	M.T M.T	1,800 (1,800)	110 (91)	4.85 (3.13)	1,172 (1,202)	1,154 (1,174)	125.93 (122.07)	110 (110)	12.65 (4.85)
8.	Agri Chemicals	K.L K.L	– (–)	585 (234)	24.33 (5.84)	1,339 (2,120)	1,758 (1,769)	35.81 (128.64)	165 (585)	1.75 (24.33)
9.	Active Pharma Ingredients (API)	M.T M.T	493 (419)	21 (15)	209.29 (97.02)	336 (347)	344 (341)	2,566.75 (2,441.28)	13 (21)	106.01 (209.29)
10.	Tablets & Capsules	No in millions	891 (891)	6 (–)	3.62 (–)	102 # (41) #	92 (35)	66.32 (21.12)	16 (6)	9.39 (3.62)
11.	IMFL	KBL KBL	10,800 (10,800)	15 (5)	1.15 (1.31)	3,186 (117)	– ** (–) **	– ** (–) **	166 (15)	21.47 (1.15)

* Under the Industrial Policy Statement dated July 24, 1991 and the notifications issued thereunder,no licensing is required for the Company's products.

** Not our own production but for others on tolling basis.

Exclusive of exhibit batches for R&D purposes.

After effect of adjustments of shortage/excess/old obsolete inventory written off/provided for.

@@ Includes products manufactured by Contract Manufacturers on conversion basis wherever applicable

Notes:

a) Closing Stock has been arrived at after considering Captive Consumptions.

b) Installed capacities are as certified by the Management, being a technical matter and relied upon by the Auditors accordingly.

c) Acetaldehyde & Formaldehyde are also produced which are mainly used captively as process chemicals.

d) V.P. Latex / SBR Latex installed Capacity is on Wet Basis.

e) Agri chemicals production is on tolling basis.

f) Difference in quantitative tally represent materials damaged / obsolete / issue for sample etc.

g) Turnover includes subsidy / export incentives.

h) Previous year figures have been recast on reclassification.

NOTES TO THE ACCOUNTS

26. (B) Particulars in respect of Trading goods

For the year ended 31st March,		2010		2009	
		Quantity	₹ in million	Quantity	₹ in million
i) Opening Stock					
Organic Including Speciality Chemicals & its Intermediaries	M.T	137	0.26	137	0.26
Feed Premixes	M.T	27	5.66	37	4.19
Agri Chemicals	KL	311	15.03	393	16.22
Active Pharma Ingredients (API)	M.T	1	4.04	–	1.15
ii) Purchases					
Organic Including Speciality Chemicals & its Intermediaries	M.T	47,879	1,462.36	19,889	922.56
Feed Premixes	M.T	119	64.59	180	61.67
Agri Chemicals	KL	790	37.74	939	21.68
Active Pharma Ingredients (API)	M.T	41	188.43	15	60.83
iii) Sales					
Organic Including Speciality Chemicals & its Intermediaries	M.T	47,875	1,917.35	19,889	1,180.37
Feed Premixes	M.T	134	75.69	190	67.81
Agri Chemicals	KL	876	61.25	1,021	35.07
Active Pharma Ingredients (API)	M.T	41	261.81	14	87.55
iv) Closing Stock					
Organic Including Speciality Chemicals & its Intermediaries	M.T	141	0.91	137	0.26
Feed Premixes	M.T	12	4.02	27	5.66
Agri Chemicals	KL	225	13.03	311	15.03
Active Pharma Ingredients (API)	M.T	1	5.16	1	4.04

26. (C) Raw Materials Consumed

For the year ended 31st March,		2010		2009	
		Quantity	₹ in million	Quantity	₹ in million
Molasses	MT	43,449	234.26	3,71,757	1,291.97
Alcohol	KBL	1,10,868	2,461.49	93,035	2,187.43
Process Chemicals	MT	1,98,973	4,790.84	1,55,883	4,628.61
Rock Phosphate	MT	1,46,953	1,232.67	1,32,583	850.00
Sulphur etc	MT	79,079	149.94	72,157	671.09
Chemicals for Feed Additive	MT	3,772	205.84	2,761	158.42
Chemicals for Latex	MT	3,531	449.38	2,931	420.68
Chemicals for API	MT	6,668	842.44	8,057	1,005.41
Others (none of which individually account for more than 10% of total consumption)		–	167.50	–	133.35
			10,534.36		11,346.96

26. (D) Value of imported and indigenous raw materials, stores and spare parts consumed and percentage thereof for the year

For the year ended 31st March,	*2010*		*2009*	
	₹ in million	*%*	*₹ in million*	*%*
Consumption of Raw Materials				
– Imported	6,756.98	64.14	4,120.22	36.31
– Indigenous	3,777.38	35.86	7,226.74	63.69
	10,534.36	100.00	11,346.96	100.00
Consumption of Stores, Spares, Chemicals, Catalyst & Packing Material				
– Imported	107.86	9.29	115.52	9.90
– Indigenous	1,052.98	90.71	1,051.12	90.10
	1,160.84	100.00	1,166.64	100.00

26. (E) Expenditure in foreign currency (on remittance basis)

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
– Legal , Professional & Consultancy Charges	120.65	147.34
– Travel /Entertainment Expenses	33.30	39.32
– Commission on Export Sales	42.48	76.91
– Interest	32.07	13.49
– Others	53.96	83.00

26. (F) Value of Imports on C.I.F. basis

– Raw Materials	4,385.30	3,607.14
– Trading Goods	1,584.79	643.80
– Store, Spares, Chemicals & Catalyst	229.10	217.37
– Capital Goods	147.12	380.23

26. (G) Remittance in Foreign Currency on account of Final Dividend

a) Amount of Dividend Remitted	8.36	8.36
b) Number of Non-Resident Shareholders	3	3
c) Number of Equity Shares held by Non-Resident Shareholders*	5,570,445	5,570,445
d) The Year to which Dividend related	2008-2009	2007-2008
*excluding where Dividend has been paid in Indian currency		

26. (H) Earnings in Foreign Exchange

– Export Sales (FOB Value)	11,001.60	10,783.71
– Interest Income on Bank Deposits (overseas) & Fees	13.87	1.81

NOTES TO THE ACCOUNTS

26. (I) Earnings Per Share (EPS)

For the year ended 31st March,				*2010*	*2009*
I.	(A)	Profit Computation for Basic Earnings Per Share of ₹ 1 each			
		Net Profit as per Profit and Loss Account available for Equity Shareholders	₹ in million	3,631.00	2,607.41
		Adjustments for the purpose of Diluted EPS :-			
		Interest on Foreign Currency Convertible Bonds	₹ in million	–	0.25
		Less: Tax on above	₹ in million	–	(0.01)
	(B)	Profit for Diluted Earnings Per Share of ₹ 1 each	₹ in million	3,631.00	2,607.65
II.	Weighted average number of equity shares for Earnings Per Share computation				
	A)	For Basic Earnings Per Share	Nos	147,573,046	147,313,162
	B)	For Diluted Earnings Per Share:			
		No. of shares for Basic EPS as per II A	Nos	147,573,046	147,313,162
		Add: Weighted Average outstanding Option/ Shares related to FCCB & Employee stock options.	Nos	23,366,622	23,662,100
		No. of shares for Diluted Earnings Per Share	Nos	170,939,668	170,975,262
III.	Earnings Per Share (Weighted Average)				
	Basic		₹	24.60	17.70
	Diluted		₹	21.24	15.25

Note: The Diluted EPS does not include the effect of vested employee stock options as number of shares held by Jubilant Employees Welfare Trust is in excess of employee stock option granted and outstanding. (Refer Note 13 of Schedule 'O')

27. Previous Year's figures have been regrouped/rearranged wherever considered necessary to conform to this year's classification.

Signatures to Schedule "A" to "O" forming part of the Balance Sheet and Profit and Loss Account.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.:	2 0 4 6 2 4	State Code :	2 0
Balance Sheet Date :	3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)		

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue :	N I L	Rights Issue :	N I L
Bonus Issue :	N I L	Private Placement* :	1 1 2 3 7

* Allotment of 11,237,517 Nos. equity Shares of ₹ 1 each at a premium of ₹ 343.50 to Qualified Institutional Buyers (QIB).

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities :	4 3 9 0 1 0 0 5	Total Assets :	4 3 9 0 1 0 0 5
Sources of Funds			
Paid-up Capital :	1 5 8 7 9 6	Reserves & Surplus :	2 1 5 6 9 7 2 0
Secured Loans :	1 0 0 1 2 8 4 2	Unsecured Loans :	1 0 1 0 9 8 8 9
Deferred Tax Assets & Liabilities (Net):	2 0 4 9 7 5 8		
Application of Funds			
Net Fixed Assets :	1 7 3 1 4 4 5 4	Investments :	1 8 6 9 2 0 3 1
Net Current Assets :	7 8 3 5 8 9 8	Misc. Expenditure :	N I L
FCMITDA :	5 8 6 2 2		

IV. Performance of Company (Amount in ₹ Thousands)

Turnover** :	2 4 7 1 8 8 1 5	Total Expenditure :	2 0 1 2 6 1 2 9
**Includes other Income			
Profit / Loss before Tax : + ✓ −	4 5 9 2 6 8 6	Profit / Loss after tax : + ✓ −	3 6 3 0 9 8 7
Earning Per Share of ₹ 1 each : (Basic) (₹)	2 4 . 6 0	Dividend Rate (%) :	2 0 0

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	2 9 3 3 3 1 . 0 0
Product Description	P Y R I D I N E
Item Code No. (ITC Code)	2 9 3 3 1 9 . 9 0
Product Description	O X C A R B A Z E P I N E
Item Code No. (ITC Code)	2 9 1 5 3 1 . 0 0
Product Description	E T H Y L A C E T A T E

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

AUDITORS' REPORT

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JUBILANT ORGANOSYS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JUBILANT ORGANOSYS LIMITED AND ITS SUBSIDIARIES.

1. We have examined the attached Consolidated Balance Sheet of Jubilant Organosys Limited ('the Company') and its subsidiaries, entities and joint venture (collectively referred to as 'Group') as at 31st March 2010, the Consolidated Profit and Loss Account for the year / period then ended and annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements and other financial information of Joint Venture company which has been audited by another auditor whose Report has been furnished to us and our opinion is based upon the Report of the other auditor. The attached consolidated financial statement include assets of ₹ 43.15 million as at 31st March, 2010, revenues of ₹ 73.27 million and net cash inflows of ₹ 8.89 million in respect of the aforesaid Joint Venture for the year then ended

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, and Accounting Standard (AS) 27-Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

5. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements, and to the best of our information and according to the explanations given to us, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the 'Group' as at 31st March, 2010;
   b) In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the 'Group' for the year ended on that date; and
   c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the 'Group' for the year ended on that date.

For **K. N. Gutgutia & Company**
Firm Registration Number : 304153E
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Place : Noida
Date : 10th May, 2010

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	*Schedules*	*2010*		*2009*	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	158.80		147.56	
Reserves & Surplus	B	21,854.56		15,278.89	
			22,013.36		15,426.45
Minority Interest			379.18		319.52
Loan Funds	C				
Secured Loans		21,607.92		29,662.98	
Unsecured Loans		10,119.41		9,754.94	
			31,727.33		39,417.92
Deferred Tax Liabilities (Net)	D		1,924.16		1,150.63
			56,044.03		56,314.52
APPLICATION OF FUNDS					
Fixed Assets	E				
Gross Block		48,452.64		46,482.57	
Less: Depreciation		10,263.78		9,032.56	
Net Block		38,188.86		37,450.01	
Capital Work-in-Progress		5,056.34		5,031.16	
			43,245.20		42,481.17
Investments	F		2,564.07		2,713.56
Foreign Currency Monetary Item Translation Difference Account			120.81		2,750.99
Current Assets, Loans and Advances	G				
Inventories		6,909.51		5,956.10	
Sundry Debtors		5,186.13		5,044.12	
Cash & Bank Balances		5,036.74		3,816.64	
Loans and Advances		5,182.70		4,854.92	
		22,315.08		19,671.78	
Less: Current Liabilities & Provisions	H				
Liabilities		7,535.25		6,727.75	
Provisions		4,665.88		4,578.52	
		12,201.13		11,306.27	
Net Current Assets			10,113.95		8,365.51
Miscellaneous Expenditure (To the extent not written off or adjusted)	I		–		3.29
			56,044.03		56,314.52

Notes to Accounts & Significant Accounting Policies O

Schedule "A" to "I" and "O" referred above form an integral part of the Consolidated Balance Sheet.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*Schedules*	*2010*		*2009*	
INCOME					
Sales & Services	J	38,647.25		36,405.44	
Less: Excise Duty on Sales		(834.53)		(1,225.60)	
Net Sales & Services			37,812.72		35,179.84
Other Income	K		372.60		1,015.66
Increase/(Decrease) in Stocks	L		203.76		781.32
			38,389.08		36,976.82
EXPENDITURE					
Manufacturing & Other Expenses	M		30,458.07		31,308.22
Depreciation & Amortisation			1,246.84		1,632.42
(Refer Note 5 of Schedule "O")					
Interest	N		1,505.20		1,070.42
			33,210.11		34,011.06
Profit Before Tax			5,178.97		2,965.76
Income Tax					
– Current Tax (including Wealth Tax)			1,025.48		668.37
– Deferred Tax Charge/(Credit)			761.44		(126.85)
– Fringe Benefit Tax			–		28.33
– MAT Credit Entitlement			(827.48)		(302.66)
			959.44		267.19
Profit After Tax			4,219.53		2,698.57
Minority Interest			4.92		(133.19)
Profit After Tax And Minority Interest			4,214.61		2,831.76
Balance Brought Forward from Previous Year			7,768.46		6,697.99
Balance Available For Appropriation			11,983.07		9,529.75
APPROPRIATIONS					
Dividend on Equity Shares		317.56		223.34	
Tax on Distributed Profits on Equity Shares		52.74		37.95	
			370.30		261.29
Transfer to Capital Redemption Reserve			120.50		–
Transfer to General Reserve			2,000.00		1,500.00
Balance Carried To Balance Sheet			9,492.27		7,768.46
Basic Earnings Per Share of ₹ 1 each (In Rupees)	O		28.56		19.22
Diluted Earnings Per Share of ₹ 1 each (In Rupees)	O		24.66		16.56
Notes to Accounts & Significant Accounting Policies	O				

Schedule "J" to "O" referred above form an integral part of the Consolidated Profit & Loss Account.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

CONSOLIDATED CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
A. Cash Flow arising from Operating Activities :		
Net profit before tax	5,178.97	2,965.76
Adjustments for:		
Depreciation & Amortisation	1,246.84	1,632.42
Loss/(Profit) on Sale of Fixed Assets (Net)	66.40	56.99
Interest (Net)	1,505.20	1,070.42
Amortisation/Write off (VRS Expenses)	3.29	13.20
Amortisation of FCMITDA	162.12	–
Provision for Doubtful Debts	39.04	15.42
Provision for Gratuity & Leave Encashment	7.93	15.60
Bad Debts/Irrecoverable Advances written off (net of write-in)	15.74	64.22
Unrealised (Gain)/Loss on Exchange -Net	(1,056.47)	1,319.46
Gain on Buy-back/Extinguishment of FCCB Debt	–	(590.70)
Interest Income (as shown in Schedule "K")	(4.75)	(30.15)
Profit on Sale of Current Investments	(22.29)	–
Income from Current Investment (Non Trade) - Dividend	(73.10)	(37.49)
	1,889.95	3,529.39
Operating Profit before Working Capital Changes	**7,068.92**	**6,495.15**
Adjustments for :		
(Increase)/Decrease in Trade and other Receivables	567.94	(1,431.46)
(Increase)/Decrease in Inventories	(1,108.03)	(1,095.95)
Increase/(Decrease) in Current Liabilities & Provisions	1,168.20	1,971.82
Cash generated from Operations	**7,697.03**	**5,939.56**
Direct Taxes Paid (net of refunds)	(605.73)	(419.88)
Interest Income Received (as shown in Schedule "K")	4.75	60.96
Net Cash Inflow/(Outflow) in course of Operating Activities	**7,096.05**	**5,580.64**
B. Cash Flow arising from Investing Activities :		
Acquisition/Purchase of Fixed Assets/CWIP	(3,075.01)	(6,677.52)
Sale Proceeds of Fixed Assets	17.31	80.90
(Purchase)/Sale of Investments (net)	136.51	(2,244.24)
Payment for Business Acquisitions	(0.52)	(11,532.90)
Interest Received	51.16	28.96
Dividend Received	73.10	37.49
Net Cash Inflow/(Outflow) in course of Investing Activities	**(2,797.45)**	**(20,307.31)**
C. Cash Flow arising from Financing Activities :		
Proceeds from Issue of Share Capital	3,805.66	8.68
(Including Share Premium & Net of Share issue expenses)		
Proceeds from Long Term & Short Term Borrowings (net of repayments)	(4,941.04)	15,201.96
Payment (to)/from Minority	–	(4.01)
Buy Back of Foreign Currency Convertible Bonds (FCCBs)	–	(2,431.57)
Dividend Paid (including Dividend Distribution Tax)	(257.53)	(257.62)
Interest Paid	(1,587.31)	(1,010.83)
Net Cash Inflow/(Outflow) in course of Financing Activities	**(2,980.22)**	**11,506.61**
D. Foreign Currency Translation Difference arising on Consolidation	**(84.28)**	**1,341.66**
Net Increase in Cash & Cash equivalents (A+B+C+D)	**1,234.10**	**(1,878.40)**
Add: Cash & Cash Equivalents at the beginning of Year (including Balance in Dividend Accounts)	3,816.64	5,237.68
Add: Cash & Cash Equivalents on Consolidation of Subsidiaries acquired during the year	2.62	399.67
Cash & Cash Equivalents at the close of the Year (including Balance in Dividend Accounts)	**5,053.36**	**3,758.95**
Cash & Cash Equivalents Comprise:		
Cash and Bank Balances	5,036.74	3,816.64
Unrealised Exchange Difference on Foreign Currency Cash and Cash Equivalents	16.62	(57.69)
	5,053.36	**3,758.95**

Notes:

1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements", notified by the Central Government of India.
2) Purchase of fixed assets includes movement of Capital Work-in-Progress during the year.
3) Closing Cash & Cash Equivalents includes ₹ 3,877.37 million (Previous Year ₹ 6.83 million) which can be utilised for specific purposes.

In terms of our report of even date attached.

For and on behalf of the Board

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Shyam S. Bhartia
Chairman & Managing Director

Place : Noida
Date : 10th May, 2010

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,		2010	2009
A. SHARE CAPITAL			
Authorised			
550,000,000	Equity Shares of ₹ 1 each	550.00	550.00
	(Previous Year 550,000,000 Equity Shares of ₹ 1 each)	550.00	550.00
Issued & Subscribed			
158,811,775	Equity Shares of ₹ 1 each	158.81	147.57
	(Previous Year 147,574,258 Equity Shares of ₹ 1 each)	158.81	147.57
Paid up			
158,779,775	Equity Shares of ₹ 1 each	158.78	147.54
	(Previous Year 147,542,258 Equity Shares of ₹ 1 each)		
	Add: Equity Shares Forfeited (paid up)	0.02	0.02
		158.80	147.56

Notes:

1) The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2011 (FCCB 2011) for an aggregate value of USD 200 million, convertible at any time between 30th June, 2006 to 10th May, 2011 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one equity share at an initial conversion price of ₹ 413.4498 per share with a fixed rate of exchange of ₹ 45.05 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 19th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 20th May, 2011 at 142.429% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. USD 57.90 million Bonds were bought back at a discount in financial year ended 31st March, 2009, and the same were cancelled.

   The outstanding balance of FCCB 2011 - USD 142.10 million, on conversion would result in allotment of 15,483,391 equity shares of ₹ 1 each.

2) The Company issued Zero Coupon Foreign Currency Convertible Bonds due 2010 (FCCB 2010) for an aggregate value of USD 75 million, convertible at any time between 3rd July , 2005 to 14th May, 2010 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one equity share at an initial conversion price of ₹ 273.0648 per share with a fixed rate of exchange of ₹ 43.35 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 23rd May, 2008, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 24th May, 2010 at 138.383% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. USD 22.343 million were converted upto 31st March, 2010 into equity shares and this represents 3,547,022 shares of ₹1 each as on 31st March, 2010 and USD 3 million Bonds were bought back at a discount in the financial year ended 31st March, 2009 and the same were cancelled.

   The outstanding balance of FCCB 2010 - USD 49.657 million, on conversion would result in allotment of 7,883,231 equity shares of ₹ 1 each.

3) The Company issued 1.5% Foreign Currency Convertible Bonds due 2009 (FCCB 2009) aggregating USD 35 million, in the year 2004-05. The Bonds were convertible at any time between 14th June, 2004 and 15th April, 2009 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDS) each representing one Equity Shares at an initial conversion price of ₹ 163.646 per share with a fixed rate of exchange on conversion of ₹ 44.805 = USD 1. The Bonds could also be redeemed, in whole but not in part, at the option of the Company at any time on or after 14th May, 2007 and prior to 8th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds were to be redeemed on 15th May, 2009 at 113.70% of their principal amount. The FCCBs were listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2009, USD 34.70 million were converted upto 31st March, 2009 into equity shares and this represents 9,500,521 shares of ₹1 each and balance of USD 0.30 million was redeemed during the year.

4) Under the Jubilant Employees Stock Option Plan;

   a) Options in force as of 31st March, 2010 - 365,331 options convertible into 1,826,655 shares of ₹ 1 each.

   b) 170,248 vested options have been exercised upto 31st March, 2010 and out of which 736,405 shares were allotted/transferred from Jubilant Employees Welfare Trust.

5) Paid up capital includes:

a) 43,990,695 equity shares of ₹ 1 each fully paid allotted and issued in 2003-04, as bonus shares by capitalisation of Capital Redemption Reserve in accordance with the resolution passed by the shareholders dated 28th February, 2004.

b) 1,644,020 equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation of erstwhile Ramganga Fertilizers Ltd. with the Company for consideration other than cash in 1994-95. {761,780 equity shares of ₹ 1 each allotted to Vam Investments Ltd. and 159,420 equity shares of ₹ 1 each allotted to Vam Leasing Ltd. were cancelled during the year 2002-03 - Refer note no 6 below}.

c) 5,064,000 equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation to shareholders of erstwhile Anichem India Ltd. and of erstwhile Enpro Specialty Chemicals Ltd. with the Company for consideration other than cash in 1999-00. {1,620,970 Equity shares of ₹ 1 each allotted to Vam Investment Ltd. and 1,714,000 equity shares of ₹ 1 each allotted to Vam Leasing Ltd. were cancelled during the year 2002-03 - Refer note no. 6 below}.

d) 114,835 , equity shares of ₹ 1 each allotted to employees and directors of Company on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan".

6) Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court of Judicature, Allahabad and Hon'ble High Court of Delhi, and as contained in the Opening Reference Balance Sheet annexed to the Scheme, the paid up share capital of the Company reduced during the year 2002-03 by cancellation of 2,382,750 and 1,873,420 equity shares of ₹ 1 each fully paid up held by erstwhile Vam Investments Ltd. and Vam Leasing Ltd. respectively as investments in the Company.

(₹ in million)

	As at 31st March, 2009	*Additions/ Created during the year*	*Deductions/ Adjustments during the year*	*As at 31st March, 2010*
B. RESERVES AND SURPLUS				
Capital Reserve	22.82			22.82
Capital Redemption Reserve	9.86	120.50		130.36
Amalgamation Reserve	13.21			13.21
Securities Premium Account (1)	3,857.83	3,860.09	393.42	7,324.50
Foreign Currency Translation Reserve	352.98		734.76	(381.78)
Legal Reserve	2.84			2.84
General Reserve (2)	3,250.89	2,000.00	0.55	5,250.34
Surplus as per Profit & Loss Account (3)	7,768.46	4,214.61	2,490.80	9,492.27
Total	15,278.89	10,195.20	3,619.53	21,854.56
Previous Year	12,415.01	6,262.54	3,398.66	15,278.89

Notes :

(1) a) Additions denote premium on issue of shares during the year.

b) Deductions denote provision of premium on redemption of FCCB's net of tax, exchange loss/gain and share issue expenses (including ₹ 1.10 million payable to Statutory Auditors).

(2) Including ₹ 0.55 million excess of loss over the minority interest in the equity of the subsidiary.

(3) Deduction includes ₹ 120.50 million, transferred to Capital Redemption Reserve during the year.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	2010	2009
C. LOANS		
Secured		
A. Loans From Banks		
– Term Loans	15,729.24	27,083.38
[Including ₹ 9,979.24 million (Previous year ₹ 17,239.09 million) in foreign currency]		
– Working Capital	1,983.81	1,942.64
[Including ₹ 1,930.80 million (Previous year ₹ 1,863.02 million) in foreign currency]		
– Vehicle Loans	0.05	0.14
B. Loans From Others		
– Term Loans	3,894.82	636.82
[Including ₹ 3,894.82 million (Previous year ₹ 636.82 million) in foreign currency]		
	21,607.92	29,662.98
Unsecured		
1.5% Foreign Currency Convertible Bonds - FCCB 2009 *	–	15.22
Zero Coupon Foreign Currency Convertible Bonds - FCCB 2010 *	2,229.60	2,518.60
Zero Coupon Foreign Currency Convertible Bonds - FCCB 2011 *	6,380.29	7,207.31
Short Term Loans From Banks	4.36	4.56
[Including ₹ Nil in foreign currency]		
Other Loans From Banks	1,505.16	8.55
[Including ₹ 5.16 million (Previous year ₹ 8.55 million) in foreign currency]		
Deferred Sales Tax Credits	–	0.70
	10,119.41	9,754.94
*(Refer Note 10 of Schedule "O")		

Notes:

1. Rupee Term Loans amounting to ₹ 5,250.00 million from Corporation Bank and Central Bank of India and External Commercial Borrowings amounting to ₹ 1,347.00 million from State Bank of India New York and Citibank N.A. London are secured by a first pari-passu charge by way of: -
   a. Mortgage of the immovable fixed assets situated at Bhartiagram, District Jyotiba Phoolay Nagar, Uttar Pradesh and immovable fixed assets situated at Village Samlaya, Taluka Savli, District Vadodara, Gujarat and
   b. Hypothecation on the entire movable fixed assets, both present and future pertaining to all manufacturing facilities of the Company.
2. Other Term Loan in Foreign Currency amounting to ₹ 3,367.50 million from Housing Development Finance Corporation Limited is secured by First Mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Chittorgarh, Bharuch and at Ambernath owned by subsidiaries.
3. Working Capital Facilities sanctioned by Consortium of Banks and notified Financial Institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, Canara Bank, Export Import Bank of India, ING Vysya Bank Ltd., Central Bank of India and Standard Chartered Bank are secured by a first charge by way of hypothecation, ranking pari-passu inter-se Banks, of the entire book debts and receivables of the Company and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include Commercial Paper Programme of ₹ 1,000 million as sublimit carved out from the funded limits, against which the balance outstanding as at 31st March, 2010 ₹ Nil.
4. Term Loan of USD 4 million (₹ 179.60 million) as on 31st March, 2010 (Previous Year USD 6 million (₹ 304.32 million)) from State Bank of India, New York Branch in consortium with Bank of Baroda, New York is secured by way of charge on all of the fixed assets including, without limitation, all equipment, machinery, vehicles, fixtures, improvements and furniture, general intangibles and other corporate property of the borrower expressly excluding the security for Revolving Credit, now owned or hereinafter acquired, of Cadista Pharmaceuticals Inc. situated at Salisbury, Maryland, USA.
5. Revolving Credit facility of USD 3.04 million (₹ 136.31 million) as on 31st March, 2010 (Previous Year USD 2.99 million (₹ 151.95 million)) from State Bank of India, New York Branch in consortium with Bank of Baroda New York is secured by way of charge over inventories and receivables, contract rights and rights to payments, present and future, of Cadista Pharmaceuticals Inc. situated at Salisbury, Maryland, USA.
6. Secured loan of USD 20.27 million (₹ 910.01 million) as on 31st March, 2010 (Previous Year USD 20.94 million (₹ 1,062.09 million)) under construction loan facility and USD 30.13 million (₹ 1,352.69 million) as on 31st March, 2010 (Previous Year USD 33.80 million (₹ 1,711.07 million)) under Line of Credit to Hollister-Stier Laboratories LLC from Bank of America N.A. are secured by way of:

i) Security interest in the receivable inventory, equipments and fixtures, deposit accounts, general intangibles, including patents, trademarks, computer software etc. All books and records pertain to the collateral more particularly described in the security interest agreement date 31st May, 2007.

ii) Deed of Trust dated 31st May, 2007 irrevocably & unconditionally growing security interest in the parcel or parcels of real property located in Spokane County, State of Washington, USA.

7. Secured loan of USD 31.25 million as on 31st March, 2010 (Previous Year USD 43.75 million) to HSL Holdings Inc from ICICI Bank UK PLC as the arranger and the agent is secured by way of irrevocable and unconditional corporate guarantee from the parent company and Jubilant Pharma Pte Ltd., Singapore (WOS of Jubilant Organosys Ltd) guaranteeing all outstanding obligations of the borrower under the facility. (Total guaranteed amount as on 31st March, 2010 is ₹ 1,403.13 million (Previous Year ₹ 2,219 million)).

8. Secured loans of USD 47.20 million (₹ 2,118.49 million) as on 31st March, 2010 (Previous Year USD 60.25 million (₹ 3,056.04 million)), CAD 40 million (₹ 1,767.20 million) as on 31st March, 2010 (Previous Year CAD 40 million (₹ 1,621.0 million)) and CAD 10 million (₹ 441.80 million) as on 31st March, 2010 (Previous Year CAD 7 million (₹ 283.34 million)) under Facility A, Facility B and Facility D respectively to Draxis Speciality Pharmaceuticals Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Draxis Specialty Pharmaceuticals Inc and its subsidiaries.

ii) Pledge over all the fully paid up equity shares of Draxis Specialty Pharmaceuticals Inc and its subsidiaries.

iii) First and exclusive charge over the fixed assets and current assets of Draxis Specialty Pharmaceuticals Inc. and its subsidiaries.

9. Secured loans of USD 47.20 million (₹ 2,118.49 million) as on 31st March, 2010 (Previous Year USD 60.25 million (₹ 3,056.04 million)), CAD 40 million (₹ 1,767.20 million) as on 31st March, 2010 (Previous Year CAD 40 million (₹ 1,621.0 million)), USD 50.21 million (₹ 2,253.81 million) as on 31st March, 2010 (Previous Year USD 50.21 million (₹ 2,546.70 million)) and CAD 10 million (₹ 441.80 million) as on 31st March, 2010 (Previous Year CAD 7 million (₹ 283.34 million)) under Facility A, Facility B, Facility C and Facility D respectively to Draxis Specialty Pharmaceuticals Inc from ICICI Bank Canada as the arranger and the agent is secured by way of:

i) Pledge over the entire fully paid up equity shares present and future of Draxis Specialty Pharmaceuticals Inc.

ii) First and exclusive charge over the assets of Draxis Specialty Pharmaceuticals Inc.

10. Secured loan of USD 50.21 million (₹ 2,253.81 million) as on 31st March, 2010 (Previous Year USD 50.21 million (₹ 2,546.70 million)) under Facility C to Draxis Specialty Pharmaceuticals Inc from ICICI Bank Canada as the arranger and the agent is secured by way of irrevocable and unconditional corporate guarantee from parent company guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as 31st March, 2010 is ₹ 2,253.81 million (Previous Year ₹ 2,546.70 million).

11. Working capital facilities granted to Jubilant Chemsys Ltd. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Chemsys Ltd.

12. Working capital facilities granted to Clinsys Clinical Research Ltd. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Clinsys Clinical Research Ltd.

13. Loan facility granted to Jubilant First Trust Healthcare Ltd. (JFTH) by State Bank of India is secured by way of:

i. First pari-passu charge over the entire fixed assets of JFTH including mortgage of the entire immovable properties situated at Howrah, Barasat, Bardhman, Kharagpur, Hoogly and hypothecation of entire movable fixed assets.

ii. Assignment of leasehold rights of land at Barasat (Kalpataru) hospital.

iii. Assignment of leasehold rights of fixed assets at Rabindra Nath Tagore Diagnostic & Medical Care Centre (Berhampore) hospital.

iv. First charge on all cash receivables, present and future, of JFTH

14. The other Term Loan of CAD 11.94 million (₹ 527.32 million) as on 31st March, 2010 (Previous Year CAD 15.71 million (₹ 636.82 million)) represent an arrangement entered into by the company with a customer whereby capital assets required for manufacture of products to be supplied to them have been acquired under a financing arrangement. The company does not carry ultimate liability for repayment of this loan as the loan is to be repaid out of reimbursement to be received by the company from the said customer. The loan is secured by specific assets purchased out of this loan proceeds.

15. Secured Loans (excluding working capital loans) include loans of ₹ 1,630.54 million (Previous Year ₹ 3,359.44 million) repayable within one year.

(₹ in million)

As at 31st March,	*2010*	*2009*
D. DEFERRED TAX LIABILITY		
Deferred Tax Liabilities	2,811.33	2,316.79
Deferred Tax Assets	887.17	1,166.16
Deferred Tax Liabilities (Net)	1,924.16	1,150.63
(Refer Note 15 (A) of Schedule "O")		

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

E. FIXED ASSETS

(₹ in million)

	GROSS BLOCK-COST/BOOKVALUE						DEPRECIATION/AMORTIZATION						NET BLOCK	
Description	Total as at 31st March 2009	Additions/ consequent of Acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	Currency Translation Adjustment	Total as at 31st March 2010	Total as at 31st March 2009	Additions consequent of Acquisition	Provided during the year	Deductions/ adjustments during the year	Currency Translation Adjustment	Total as at 31st March 2010	As at 31st March 2010	As at 31st March 2009
Land														
(a) Freehold	723.72	–	43.56	–	3.74	771.02	–	–	–	–	–	–	771.02	723.72
(b) Leasehold	680.68	–	0.74	–	–	681.42	–	–	–	–	–	–	681.42	680.68
Buildings														
(a) Factory	3,602.80	–	133.47	15.52	(163.76)	3,556.99	629.74	–	155.21	–	(22.87)	762.08	2,794.91	2,973.06
(b) Others (1)	929.06	–	25.62	16.27	–	938.41	103.23	–	14.73	0.13	–	117.83	820.58	825.83
Railway Sidings	113.88	–	–	–	–	113.88	0.69	–	6.01	–	–	6.70	107.18	113.19
Plant & Machinery	21,614.99	–	1,915.00	345.06	(121.40)	23,063.53	6,855.08	–	828.40	17.11	(44.45)	7,621.92	15,441.61	14,759.91
Vehicles	66.85	–	0.88	2.88	(0.61)	64.24	31.75	–	10.73	3.19	(0.19)	39.10	25.14	35.10
Office Equipments	758.82	–	71.97	7.91	(19.46)	803.42	412.20	–	75.13	5.45	(13.11)	468.77	334.65	346.62
Furniture & Fixtures	1,057.06	–	41.78	5.66	18.19	1,111.37	329.62	–	88.36	1.96	6.04	422.06	689.31	727.44
Intangibles														
a) Internally generated														
– Patents/Market Authorisation	498.12	–	515.87	–	(11.97)	1,002.02	374.18	–	48.37	–	(4.53)	418.02	584.00	123.94
b) Acquired Patents	11.41	–	–	–	(1.31)	10.10	3.42	–	1.07	–	(0.45)	4.04	6.06	7.99
c) Other														
– Rights	77.74	–	–	–	(3.22)	74.52	51.06	–	6.44	–	(1.30)	56.20	18.32	26.68
– Software	502.83	–	101.09	–	20.86	624.78	241.59	–	94.51	–	10.96	347.06	277.72	261.24
Goodwill on Consolidation	15,844.61	–	–	20.77	(186.90)	15,636.94	–	–	–	–	–	–	15,636.94	15,844.61
Total	46,482.57	–	2,849.98 (2)	414.07 (6)	(465.84)	48,452.64	9,032.56	–	1,328.96	27.84	(69.90)	10,263.78	38,188.86	37,450.01
Previous Year	24,959.09	12,827.29	8,341.24	99.03	453.98	46,482.57	5,834.90	1,444.35	1,638.20	48.31	163.42	9,032.56		
Capital Work in Progress [Including capital advances, project expenses pending capitalisation & also including R&D expenditure in the nature of intangibles of ₹ 1,197.34 million (Previous year ₹ 997.83 million)], in respect of Parent Company.													5,056.34	5,031.16
													43,245.20	42,481.17

Notes :

(1) Building includes ₹ 500 being cost of share in Co-operative Housing Society.

(2) Includes ₹ 224.66 million in respect of R&D Assets, in respect of Parent Company.

(3) Title Deeds pertaining to land at Gajraula purchased during the year 2007-08, measuring 2.80 acres are yet to be registered in the name of Company.

(4) Buildings and Plant & Machinery includes Capitalised value of Leased Assets amounting to ₹ 18.98 million located at West Bengal.

(5) Depreciation provided during the year includes ₹ 82.12 million recoverable under specific contracts/capitalised as preoperative expenses.

(6) Deductions Include ₹ 342.18 million towards adjustment of Foreign Exchange Gain (Refer Note 18 of Schedule "O").

(7) Goodwill on consolidation is net of capital reserve – ₹ 2.06 million.

(₹ in million)

As at 31st March,			2010	2009
F. INVESTMENTS : (At Cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Non Trade Investments		
		Muroplex Therapeutics Inc. - Secured Convertible Note & Warrants	12.05	12.38
166,667 (166,667)		Putney Inc. (USA) - Convertible Preferred Stock	44.90	50.72
510,771 (510,771)	USD 0.01	Safe Foods Corporation USA- Common Stock	224.50	253.61
4,550,000 (1,550,000)	₹ 10	Forum 1 Aviation Ltd. Equity Shares fully paid up	45.50	15.50
		Current Investments		
		Investment in Mutual Funds		
– (19,978,313)	₹ 10	Principal Floating Rate Fund FMP- Institutional Option-Dividend Reinvestment Daily	–	200.03
– (161,270,058)	₹ 10	Canara Robeco Treasury Advantage Institutional Daily Dividend Fund.	–	2,000.89
– (99,901)	₹ 1000	Reliance Money Manager Fund-Institutional Option -Daily Dividend Plan	–	100.02
– (7,998,000)	₹ 10	GCCD IDFC Cash Fund Super Installment Plan -Daily Dividend	–	80.41
50,767,483 (–)	₹ 10	Religare Short term Plan -Institutional Daily Dividend	510.66	–
350,609 (–)	₹ 1000	UTI-Treasury Advantage Fund-Institutional Plan (Daily Dividend)	350.68	–
100,090,569 (–)	₹ 10	LIC MF Income Plus-Fund Daily Dividend Plan	1,000.91	–
5,065,214 (–)	₹ 10	SBI- SHF- Ultra Short Term Fund	50.68	–
201,446 (–)	₹ 1000	UTI-Treasury Advantage Fund-Institutional Plan	249.17	–
438,062 (–)	₹ 10	ICICI Prudential Flexible Income Plan Premium - Growth	75.02	–
			2,564.07	2,713.56
		Aggregate NAV of Current Investments	2,237.12	2,381.35

Notes:

(1) Figures in () are in respect of previous year.

(2) During the year, the following current investments (Non-Trade) were purchased and sold:

i) 69,534,828-Units of ICICI Prudential Flexible Income Plan Premium - Daily Dividend at cost of ₹ 700.00 million.
ii) 74,642,368-Units of HDFC Floating Rate Income Fund Short Term Plan-Dividend Reinvest at cost of ₹ 750.00 million.
iii) 442,184,523-Units of SBI SHF- Ultra Short Term Fund- Institutional Plan-Daily Dividend at cost of ₹ 6,800.00 million.
iv) 51,729,919-Units of Principal Floating Rate Fund FMP- Insti Option -Growth Plan at cost of ₹ 650.03 million.
v) 47,806,463-Units of Religare Short term Plan -Institutional Daily Dividend at cost of ₹ 500.00 million.
vi) 679,867-Units of Reliance Money Manager Fund - Institutional Option Daily Dividend Plan at cost of ₹ 700.02 million.
vii) 933,391-Units of UTI-Treasury Advantage Fund-Institutional Plan (Daily Dividend) at cost of ₹ 1,000.00 million.
viii) 24,996,251-Units of IDFC Money Manager Fund- TP-Super Inst Plan C - Daily Dividend at cost of ₹ 250.00 million.
ix) 41,971,459-Units of Birla Sunlife Saving Fund- Inst-Daily Dividend - Reinvest at cost of ₹ 420.00 million.
x) 29,794,388-Units of Kotak Floater Long Term - Daily Dividend at cost of ₹ 300.00 million.
xi) 186,693,356-Units of Canara Robeco Treasury Advantage Institutional Daily Dividend Fund at cost of ₹ 2,350.89 million.
xii) 150,000,000-Units of LIC MF Income Plus-Fund Daily Dividend Plan at cost of ₹ 1,500.00 million.
xiii) 49,942,067-Units of Franklin Templeton Mutual Fund at cost of ₹ 500.00 million.
xiv) 10,060,125- Units of Principal Floating Rate Fund FMP-Instl-Option - Dividend Reinvestment Daily- ₹ 100.73 million.
xv) 10,000,106- Units of Principal Cash Management Fund-Liquid Option Inst. Premium Plan-Dividend Reinvestment Daily- ₹ 100.01 million.
xvi) 9,968,370 - Units of SBI Premier Liquid Fund - Super Institutional - Daily Dividend- ₹ 100.01 million.
xvii) 52,788,144 - Units of SBI-SHF - Ultra Short Term Fund - Institutional Plan -Daily Dividend- ₹ 528.17 million.
xviii) 22,389,743 - Units of SBI- Magnum Insta Cash Fund - Daily Dividend Option- ₹ 375.04 million.
xix) 63,985,519 - Units of GFCD IDFC Money Manager fund - TP-Super Insta Plan C- Daily Dividend- ₹ 639.95 million.
xx) 164,770 - Units of UTI Liquid Cash Plan Institutional – Growth Option- ₹ 248.83 million.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	2010	2009
G. CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Inventories: (Including in Transit & with Third Parties)		
– Raw Materials	3,182.40	2,592.95
– Stores, Spares, Process Chemicals, Catalyst, Fuels & Packing Material	638.14	422.75
– Process Stocks	940.58	951.30
– Finished Goods (including Trading Goods)	2,148.39	1,989.10
	6,909.51	5,956.10
Sundry Debtors		
Unsecured		
– Over Six Months - Good (1)	456.88	201.56
– Doubtful	96.06	57.02
– Other Debts - Good (1)	4,729.25	4,842.56
	5,282.19	5,101.14
Less: Provision for Doubtful Debts	96.06	57.02
	5,186.13 (2)	5,044.12
Cash & Bank Balances		
– Cash in hand and as Imprest	5.59	6.27
– Cheques/Drafts in hand	187.15	117.69
– With Scheduled Banks		
– On Current Accounts (3)	4,022.74	1,275.76
– On Dividend Account	11.09	9.69
– On Deposit Accounts (4)	188.27	1,537.60
– With Non Scheduled Banks	621.90	869.63
	5,036.74	3,816.64
Loans And Advances		
(Unsecured, Considered good)		
– Loan to Jubilant Employees Welfare Trust (5)	423.21	567.85
– Advances recoverable in cash or in kind or for value to be received (6)	1,391.16	1,963.75
– Unbilled Revenues	92.38	83.47
– Deposits	152.62	145.73
– Deposits/Balances with Excise / Sales Tax Authorities (7)	947.73	996.44
– Advance Payment of Income Tax/Wealth Tax (including TDS)	653.91	403.47
– MAT Credit Entitlement	1,521.69	694.21
	5,182.70	4,854.92
	22,315.08	19,671.78

(1) Includes, Subsidy receivable:

a) Due over six months - ₹ 43.26 million (Previous year ₹ 87.12 million)

b) Others - ₹ 172.46 million (Previous year ₹ 289.75 million)

(2) Debtors are net of bills discounting with a bank amounting to ₹ 850.00 million.

(3) Includes ₹ 3,871.33 million in Escrow Account consequent upon allotment of Shares as on 31st March, 2010.

(4) Includes Margin Money - ₹ 3.06 million (Previous year ₹ 2.39 million).

(5) Net of deferred tax of ₹ 11.69 million recoverable (Refer Note 6 of Schedule "O")

(6) Includes Export Benefits Receivables - ₹ 201.26 million (Previous year ₹ 414.04 million).

(7) Deposits against disputed demands - ₹ 130.60 million(Previous year ₹ 112.32 million) and deposit of ₹ 9.84 million pending for decision before appellate Cestat Authorities.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	*2010*	*2009*
H. CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors and Expenses Payable		
– Due to Micro, Small and Medium Enterprises	22.71	22.69
– Others	4,995.69	4,701.25
Acceptances	1,869.85	1,116.63
Trade Deposits & Advances (1)	393.89	462.42
Interest Accrued but not due	93.96	152.14
Other Liabilities	146.04	260.11
Investors Education and Protection Fund shall be credited with the following amount namely:		
– Unclaimed/unpaid Dividends	11.09	9.69
– Unclaimed Fixed Deposits	2.02	2.82
	7,535.25	6,727.75
B) Provisions		
For Dividends on Equity Shares (Including Dividend Distribution Tax)	370.30	258.93
For Income Tax, Wealth Tax & FBT	852.33	447.96
For Retirement/Post retirement Employee Benefits	468.18	468.55
For Others (2)	2,975.07	3,403.08
	4,665.88	4,578.52
Total (A+B)	12,201.13	11,306.27

(1) Includes ₹ 210.91 million (Previous year ₹ 315.61 million) towards unearned income.

(2) Includes Premium on redemption of FCCBs - ₹ 2,835.33 million (Previous year ₹ 2,342.30 million) and Provision of loss of ₹ 100.09 million (Previous Year ₹ 1,013.05 million) on marked to market of unutilised forward contracts outstanding/interest rate swaps.

(₹ in million)

As at 31st March,	*2010*	*2009*
I. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Payments under Voluntary Retirement Scheme	–	3.29
	Nil	3.29

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
J. SALES & SERVICES		
Sales	35,954.87	33,862.03
Licensing & Regulatory Fees	133.05	70.25
Drug Discovery Development Services	2,454.01	2,415.20
Hospital Revenue	80.91	56.24
Manufacturing Services (Refer Note 16 of Schedule "O")	24.41	1.72
	38,647.25	36,405.44

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
K. OTHER INCOME		
Income from Current Investments (Non-Trade) - Dividend	73.10	37.49
Gain on Buy-back/Extinguishment of FCCB Debt	–	590.70
Profit on Sale of Current Investments	22.29	–
Royalty	27.33	81.15
Miscellaneous Receipts (1)	249.88	306.32
	372.60	1,015.66

(1) Includes:

a) Income from Utilities & Services provided ₹ 13.84 million (Previous year ₹ 24.73 million) [Tax Deducted at source ₹ 2.11 million - (Previous year ₹ 3.59 million)].

b) Bad Debts recovered ₹ Nil (Previous year ₹ 3.49 million), interest received from Income Tax Department ₹ 4.75 million (Previous year ₹ 3.87 million) and Refund of Sale Tax of ₹ 13.71 million.

c) Surplus in liquidation of Investment ₹ Nil (Previous Year ₹ 68.92 million).

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
L. INCREASE/(DECREASE) IN STOCKS		
Increase /(Decrease) in Finished Goods	203.76	781.32
	203.76	781.32

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
M. MANUFACTURING AND OTHER EXPENSES		
Purchases - Traded Goods	2,018.45	1,134.85
Raw & Process Materials Consumed	12,904.28	13,148.77
Power and Fuel	2,200.34	1,979.06
Excise Duty (3)	1.07	21.88
Stores, Spares, Chemicals, Catalyst & Packing Materials Consumed	2,371.61	2,111.64
Processing Charges	202.53	177.48
Repairs – Plant & Machinery	437.62	535.26
– Buildings	91.45	61.09
Salaries, Wages, Bonus, Gratuity & Allowances	6,397.01	5,487.22
Contribution to Provident, Superannuation Fund & to Social Security Schemes	540.79	552.97
Staff Welfare Expenses	514.80	534.70
Rent [Net of recoveries]	227.58	214.56
Rates & Taxes	225.36	173.38
Insurance [Net of recoveries -₹ 10.42 million (PY -₹ 8.95 million)]	122.45	126.09
Advertisement, Publicity & Sales Promotion	161.74	149.71
Traveling & Other Incidental Expenses	351.23	355.60
Office Maintenance	293.89	306.32
Vehicle Running & Maintenance	55.75	53.61
Printing & Stationery	56.50	58.59
Communication Expenses	139.01	142.97
Staff Recruitment & Training	79.87	96.18
Donation(4)	59.56	23.76
Auditors Remuneration – As Auditors	2.81	2.13
– For Tax Audit	0.43	0.54
– For Certification/Limited Review	0.65	0.38
– Out of Pocket Expenses	0.31	0.24
Legal , Professional & Consultancy Charges	304.58	323.41
Freight & Forwarding (including ocean freight)	594.08	600.89
Amortisation/write off - (VRS Expenses)	3.29	13.20
Directors' Sitting Fees	0.69	0.59
Directors' Commission	60.85	22.80
Miscellaneous Expenses	113.64	90.52
Financial Charges includes Foreign Exchange Fluctuation gain of ₹ 972.35 million (PY net loss of ₹ 2,055.99 million) and Bank Charges	(865.27)	2,185.58
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	162.12	–
Discounts & Claims to Customer and Other Selling Expenses	431.16	330.16
Commission on Sales	72.67	161.47
Loss/(Gain) on sale/disposal/discard of Fixed Assets/Intangibles (PY - Net of gain of ₹ 52.51 million)	66.40	56.99
Loss/(Gain) on sale of Raw Materials	1.99	(6.01)
Bad Debts / Irrecoverable Advances written off /provided for(Net of write in)	54.78	79.64
	30,458.07	31,308.22

(1) The above expenses are Netted off, after taking into account credit of ₹ 1.49 million (Previous year ₹ 2.01 million) being recoveries.
(2) The above expenditure includes :
  a) Expenditure incurred on R&D of ₹ 408.47 million (Previous year ₹ 332.34 million) under various heads of accounts.
  b) Prior period adjustments determined during the year are adjusted to respective heads of account of ₹ 4.04 million (Previous year of ₹ 2.81 million).
(3) Excise duty expense denotes provision on stock differential and other claims/payment.
(4) Donation Includes payment of ₹ 25.01 million to General Electoral Trust formed by the Company.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
N. INTEREST		
On Term Loans	1,483.68	937.29
On FCCB	0.03	0.25
On Overdrafts & other Borrowings	72.03	177.77
	1,555.74	1,115.31
Less: Interest Income (1) [Tax deducted at source ₹ 7.34 million (Previous year ₹ 9.11 million)]	(50.54)	(44.89)
	1,505.20 (2)	1,070.42 (2)

(1) Includes, ₹ 36.23 million (Previous year ₹ 41.90 million) earned on Deposits from Bank.

(2) Net of Interest Capitalisation. (Refer Note 13 of Schedule "O")

O. NOTES TO THE CONSOLIDATED ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

Notes to the Consolidated Balance Sheet as at 31st March, 2010 and Consolidated Profit and Loss Account for the year ended on that date.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting/ Preparation

The consolidated financial statements (CFS) relate to Jubilant Organosys Ltd. (hereinafter referred to as the "Company") and its Subsidiaries and Joint venture company (hereinafter referred to as the "Group").

The accounts of the Group are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified by the Central Government of India and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian rupees rounded off to the nearest million.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognised in the period in which such results are known/materialised.

B. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company, its Subsidiary Companies and proportionate share in Joint Venture have been combined substantially on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits.

ii. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS-21), "Consolidated Financial Statements" & Accounting Standard 27 (AS-27), "Financial Reporting in Joint Venture" notified by the Central Government of India and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Subsidiary and Joint Venture Companies considered in the Consolidated Financial Statements are:

Name of Subsidiary/ Joint Venture	*Country of Incorporation*	*Name of Parent*	*Nature of Business*	*Percentage of ownership*
Jubilant Pharma Pte. Ltd.	Singapore	Jubilant Organosys Limited	Investment	100%
Draximage Limited, Cyprus	Cyprus	Jubilant Pharma Pte. Ltd.	Investment	100%
Draximage Limited, Ireland	Ireland	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
Draximage LLC	USA	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
DSPI Inc., USA	USA	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
Deprenyl Inc., USA	USA	Draximage Limited, Cyprus	Investment	100%
Draxis Specialty Pharmaceuticals Inc.	Canada	Jubilant Pharma Pte. Ltd.	Manufacture of Sterile and Non Sterile Products & Radiopharmaceuticals Products	100%
Draxis Pharma General Partnership	Canada	Draxis Specialty Pharmaceuticals Inc.	Contract Manufacturer for Sterile and Non Sterile Products	99.99%
		6963196 Canada Inc		0.01%
Draximage General Partnership	Canada	Draxis Specialty Pharmaceuticals Inc.	Drug Discovery and Development Services	99.90%
		6981364 Canada Inc		0.10%
6963196 Canada Inc.	Canada	Draxis Specialty Pharmaceuticals Inc.	Investment	100%
6981364 Canada Inc.	Canada	Draxis Specialty Pharmaceuticals Inc.	Investment	100%
DAHI LLC	USA	Draxis Specialty Pharmaceuticals Inc	Non-operative Company	100%
DAHI Animal Health (UK) Ltd.	UK	Draxis Specialty Pharmaceuticals Inc	Non-operative Company	100%
Draximage (UK) Ltd.	UK	Draxis Specialty Pharmaceuticals Inc	Sale of Radiopharmaceutical Products	100%

NOTES TO THE CONSOLIDATED ACCOUNTS

Name of Subsidiary/ Joint Venture	Country of Incorporation	Name of Parent	Nature of Business	Percentage of ownership
Clinsys Holdings, Inc.	USA	Jubilant Pharma Pte. Ltd.	Investment	74.55%
		Jubilant Organosys Limited		25.45%
Clinsys Clinical Research, Inc.	USA	Clinsys Holdings Inc.	Clinical Research	100%
Cadista Holdings Inc.	USA	Jubilant Pharma Pte. Ltd.	Investment	53.11%
		Clinsys Holdings Inc		29.27%
Cadista Pharmaceuticals Inc.	USA	Cadista Holdings Inc.	Generic-Pharmaceuticals & Dosage Forms	100%
Colvant Sciences, Inc.	USA	Cadista Holdings Inc.	Non-operative Company	100%
Cadista Pharmaceuticals (UK) Limited	UK	Jubilant Pharma Pte. Ltd.	Non-operative Company	100%
Jubilant Organosys International Pte. Ltd.	Singapore	Jubilant Pharma Pte. Ltd.	Sale/Purchase of Chemicals, APIs, Speciality Chemicals, Advance Intermediates and formulations	100%
HSL Holdings Inc.	USA	Clinsys Holdings Inc.	Investment	100%
Hollister-Stier Laboratories LLC	USA	HSL Holdings Inc.	Manufacture of Allergenic Extracts & Sterile Injectables Vials	100%
Jubilant Organosys (Shanghai) Ltd.	China	Jubilant Pharma Pte. Ltd.	Trading	100%
Jubilant Pharma N.V.	Belgium	Jubilant Organosys Limited	Investment	77.65%
		Jubilant Pharma Pte. Ltd		22.35%
Jubilant Pharmaceuticals N.V.	Belgium	Jubilant Pharma N.V.	Licensing & Regulatory Services	99.81%
		Jubilant Pharma Pte. Ltd.		0.19%
PSI Supply N.V.	Belgium	Jubilant Pharma N.V.	Supply of Dosage Forms	99.50%
		Jubilant Pharma Pte. Ltd.		0.50%
Jubilant Organosys (USA),Inc.	USA	Jubilant Organosys Limited	Trading	100%
Jubilant Organosys (BVI) Ltd.	BVI	Jubilant Pharma Pte. Ltd.	Investment	100%
Jubilant Biosys (BVI) Ltd.	BVI	Jubilant Organosys (BVI) Ltd.	Investment	100%
Jubilant Biosys (Singapore) Pte Ltd.	Singapore	Jubilant Biosys (BVI) Ltd.	Investment	100%
Jubilant Biosys Ltd.	India	Jubilant Biosys (Singapore) Pte Ltd.	Drug Discovery & Development Services	66.98%
Jubilant Discovery Services Inc.	USA	Jubilant Biosys Ltd.	Drug Discovery and Development Services	100%
Jubilant Drug Development Pte. Ltd.	Singapore	Jubilant Organosys (BVI) Ltd.	Investment	100%
Jubilant Chemsys Ltd.	India	Jubilant Drug Development Pte. Ltd.	Medicinal Chemistry Services	100%
Clinsys Clinical Research Ltd.	India	Jubilant Drug Development Pte. Ltd.	Clinical Research	100%
Jubilant Infrastructure Ltd.	India	Jubilant Organosys Limited	Setting up of Special Economic Zone(s)	100%
Jubilant First Trust Healthcare Ltd.	India	Jubilant Organosys Limited	Health Care	92.89%
Asia Healthcare Development Ltd.	India	Jubilant First Trust Healthcare Ltd.	Health Care	99.77%
Speciality Molecules Ltd.	India	Jubilant Organosys Limited	Niche manufacturer of Speciality Intermediates	100%
Jubilant Innovation (BVI) Ltd.	BVI	Jubilant Pharma Pte. Ltd.	Drug Discovery and Development Services	100%
Jubilant Innovation Pte. Ltd.	Singapore	Jubilant Innovation (BVI) Ltd.	Investment	100%
Draximage India Ltd.	India	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
Hitech Shiksha Ltd.	India	Jubilant Infrastructure Ltd.	Non-Operating	100%
Jubilant Innovation (India) Ltd.	India	Jubilant Innovation (BVI) Ltd.	Drug Discovery and Development Services	100%
Jubilant Innovation (USA) Inc.	USA	Jubilant Innovation (BVI) Ltd.	Drug Discovery and Development Services	100%
Draxis Pharma Inc.	USA	HSL Holdings Inc.	Investment	100%
Draxis Pharma LLC	USA	Draxis Pharma Inc.	Non-Operating	100%
Vanthys Pharmaceutical Development Pvt. Ltd.	India	Jubilant Innovation Pte. Ltd.-50% JV Partner	Drug Discovery and Development Services	50:50 Joint Venture

iii. For the purpose of Consolidation of accounts of foreign subsidiaries, average rate of currencies have been taken for revenue items and the year-end rates have been applied for Balance Sheet items as per Accounting Standard 11 (AS-11) -"The Effects of Changes in Foreign Exchange Rates", notified by the Central Government of India. The net exchange difference on the translation of items in the financial statement of foreign subsidiaries is recognised as Foreign Currency Translation Reserve.

iv. The excess of cost to the Company of its investments in the subsidiary Company over its share of the equity of the subsidiary Company, at the dates on which the investments in the subsidiary Company was made, is recognised as 'goodwill' in the consolidated financial statement. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.

v. Goodwill in the Balance Sheet represents goodwill arising on consolidation of Jubilant Biosys Ltd India, Jubilant Pharma N.V. Belgium, Clinsys Holdings Inc. USA, Jubilant Pharma Pte. Ltd Singapore, HSL Holdings Inc. USA, Draxis Specialty Pharmaceuticals Inc. Canada, Jubilant First Trust Healthcare Ltd. India, Speciality Molecules Ltd. India, Jubilant Infrastructure Ltd. India, Hitech Shiksha Ltd. India Such Goodwill has been tested for impairment using the cash flow projections of the said entities, based on the most recent financial budgets / forecasts approved by the management and accordingly, no amortisation is required during the year.

vi. Minority Interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.

vii. The accounts of Jubilant Employees Welfare Trust has not been consolidated in line with the Guidance Note on Accounting for Employee Share-based Payment issued by the Institute of Chartered Accountants of India.

C. a. Fixed Assets and Depreciation

(i) Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/ amortisation. The cost of fixed assets includes effect of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value/fair value ascertained by the valuers.

Insurance spares / standby equipments are capitalised as part of the mother assets and are depreciated at the applicable rates, over the remaining useful life of the mother assets. Such spares are charged off, on issue for Consumption.

Interest on loans and other financial charges in respect of qualifying assets and preoperative expenses including Trial Run Expenses (Net of trial run receipts, if any) for projects and/or substantial expansion up to the date of commencement of commercial production/ stabilisation of the project are capitalised.

(ii) Depreciation is provided on Straight Line Method, at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), on the original cost/ acquisition cost of assets and read with the statement as mentioned herein under. Certain plants were classified as continuous process plants from the financial year ended 31st March, 2000 and such classification has been done on technical assessment, (relied upon by the auditor being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets as per Schedule XIV to the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated over the useful life estimated as under;

a. R&D related Equipments & Machineries: ten years.

b. Motor Vehicles: five years.

c. Computer & Information Technology: three to five years.

d. Certain employee perquisite - related assets: five years, being the period of the perquisite scheme.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.

Depreciation on exchange fluctuation capitalised is charged over the remaining useful life of assets in line with accounting policy (Refer Note 1(G) of Schedule "O").

(iii) Depreciation in respect to assets of overseas subsidiaries is provided over the estimated useful life by using the Straight Line method (SLM).

However, the said rates of depreciation in respect of overseas subsidiaries are higher than the rates prescribed vide Schedule XIV to the Companies Act, 1956.

NOTES TO THE CONSOLIDATED ACCOUNTS

b. Intangible, Market Authorisation and Amortisation

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortised over their estimated useful lives subject to a maximum period of ten years on straight-line basis, commencing from the date the asset is available to the Company for its use.

Cost incurred for product development leading to Market Authorisations are recognised as intangible assets and amortised on a straight-line basis over a period of five to ten years from the date of regulatory approval. Subsequent expenditures on development of such products are also added to the cost of intangibles.

Expenditure for acquisition and implementation of Software systems is recognised as intangible assets and amortised on straight-line basis over a period of five years.

c. Leased Assets: Amortisation/charging off

(i) Leasehold Land value is not amortised in view of the long tenure of the un-expired lease period/option of conversion to freehold at the expiry of lease tenure.

(ii) Other leased assets: Assets, if any, acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payment in line with the Accounting Standard 19(AS-19)-"Leases", notified by the Central Government of India. In respect of other leases, lease rentals are charged to Profit and Loss Account.

D. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable Cost at weighted average including an appropriate share of production overheads
Finished goods (traded)	Actual cost of purchase
Goods in transit	Actual cost of purchase

Cost includes all direct costs, cost of conversion and appropriate portion of overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

E. Investments

Long Term Investments (non-trade) if any, are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.

Current Investments are valued at Lower of cost or fair value.

F. Income Tax

Current Tax

Current tax expense is based on the provisions of the relevant applicable Income Tax Laws in force in the respective countries of incorporation and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company pay normal income tax during the specified period.

G. Foreign Currency Conversions/ Translations

Transactions in foreign currency are recorded at the exchange rate prevailing on/or closely approximating to the date of transactions. Monetary Assets and Liabilities are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognised as income or expense in Profit & Loss Account over the life of the contract. All other outstanding forward contracts on the closing date are marked to market and resultant gain or loss is recognised as income or expense in the Profit and Loss Account.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 31st March, 2009. Accordingly the effect of exchange differences as updated on reporting date, on foreign currency borrowings including FCCBs of the Company is adjusted to cost of fixed assets to the extent it relates to utilisation of funds for acquisition of depreciable capital assets and the balance is accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortised during the balance period of such long term liability but not later than 31st March, 2011.

H. Provisions, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. Contingent Assets are not recognised/disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date. Service warranty cost in respect of post software development and implementation phase are accrued at the year-end on the basis of management estimates of the efforts required on the respective projects as per the terms of the agreements.

I. Research & Development

Revenue expenditure on Research and Development is included under the natural heads of expenditure.

Capital expenditure on Research and Development (R&D) is capitalised as fixed assets. Development cost including regulatory cost and legal expenses leading to Market Authorisation relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits. Other Research & Development cost is expensed as incurred.

J. Employee Benefits

i) In respect of Parent Company including Indian Subsidiaries:

- Short term employee benefit and contribution to defined contribution plans e.g. recognised provident fund, employee state insurance and superannuation scheme are recognised as expense on accrual at the undiscounted amount in the Profit & Loss Account.
- Gratuity and leave encashment which are defined benefits are recognised in the Profit and Loss Account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Profit and Loss account as income or expense. The gratuity liability for certain employees of one of the units of the Parent Company is funded with Life Insurance Corporation of India.

ii) In respect of Foreign Subsidiaries:

- Short term employee benefit are recognised as expense on accrual at the undiscounted amount in the profit & loss account
- Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Profit & Loss Account in the year in which liability to pay arise.

K. Borrowing Cost

Borrowing cost includes ancillary cost. Borrowing cost attributable to acquisitions and construction of qualifying assets are capitalised as a part of the cost of such assets up-to the date as mentioned in Note No. C (a) (i) above. Other borrowing costs are charged as expenses in the year in which they arise.

NOTES TO THE CONSOLIDATED ACCOUNTS

L. Revenue Recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax, value added tax (except excise duty) and chargebacks if any.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is generally recognised as units are completed. Revenue from fixed-price contracts are recorded on a proportional completion basis. Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

Revenue related to contract manufacturing arrangement are recognised when performance obligations are substantially fulfilled. Revenues related to development contracts are recognised as defined milestones are achieved.

Revenue from licensing & regulatory services is recognised on the basis of milestones achieved as determined in the respective contract with the customer. In respect of outsourcing cost incurred for drug development with third party CRO's the revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement

Revenue from rendering of medical services is recognised upon completion/performance of such services. Revenue from ongoing medical services on cut off date is recognised on proportionate completion method.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been satisfied, the amounts are determinable and collection is reasonably assured.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

Any sales for which the Company has acted as an agent without assuming the risks and rewards of ownership have been reported on a net basis.

Export incentives/ benefits are accounted for on accrual basis and as per the principles given under Accounting Standard 9 (AS-9) on "Revenue Recognition", notified by the Central Government of India

M. Miscellaneous Expenditure / Amortisation

(i) Payments under Voluntary Retirement Scheme are amortised over a period of thirty six months commencing from the month in which payment / liability arise.

(ii) FCCB and share issue expenses/premium payable on redemption of FCCBs are adjusted against securities premium account.

N. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Group. Revenues, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks & rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Group. Revenues, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

O. Earning per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

P. Impairment of Fixed Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Q. Employee Stock Option Schemes

In accordance with the Securities and Exchange Board of India Guidelines, in respect of the stock options granted pursuant to the Company's Stock Option Scheme, the intrinsic value, if any, of the option being the excess of the market price, of share over the exercise price of the option, at the date of grant of option, is treated as discount and accounted as employee compensation cost and amortised on a straight-line basis over the vesting period.

2. Capital Commitments

Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) ₹ 1,612.06 million (Previous year ₹ 1,010.07 million) [Advances ₹ 216.59 million (Previous year ₹ 123.19 million)].

3. Contingent liabilities

a) Claims/Demands for the following matters in respect of which proceedings or appeals are pending and are not acknowledged as debts

(₹ in million)

As at 31st March,	*2010*	*2009*
Central Excise	32.27	23.18
Customs	40.69	74.67
Sales Tax	48.82	48.01
Income Tax	189.05	162.36
Service Tax	34.62	7.71
Others	254.40	59.48

b) The Parent Company has challenged the levy of transport fee by State of Maharashtra on consumption of rectified spirit and molasses in the Nira factory. The order of State imposing the levy was stayed by the Hon'ble Mumbai High Court on 22nd October, 2001. The Company has been advised that the levy of transport fee on rectified spirit and molasses by State is not tenable. However the Company has deposited ₹ 6.28 million under protest out of the total transport fee of ₹ 133.74 million.

c) Outstanding guarantees furnished by Banks on behalf of the Group/by the Group including in respect of Letters of Credits is ₹ 2,632.84 million (Previous year ₹ 1,085.88 million).

d) The Parent Company has given Corporate Guarantee on behalf of its subsidiaries, HSL Holdings Inc. & Draxis Specialty Pharmaceuticals Inc, to ICICI Bank UK. PLC. & ICICI Bank, Canada for USD 50 million (effective guarantee as at 31st March, 2010 USD 31.25 million) and USD 50.21 million respectively (total effective guarantee equivalent to ₹ 3,657.59 million), to secure financial facility granted by them.

e) Exports obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty are remaining outstanding is ₹ 564.34 million (Previous year ₹ 1,230.62 million). Similarly Export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 1,011.82 million (Previous year ₹ 558.01 million)

f) The Parent Company has challenged the increase in denaturing fee by the State of Uttar Pradesh w.e.f, 1st April, 2004 on denaturing of rectified spirit in the Gajraula factory before the Hon'ble Allahabad High Court and the writ petition has been admitted by the court. The Company has deposited ₹ 19.11 million under protest which is shown as deposits.

g) Zila Panchayat at J.P. Nagar (in respect of the Parent Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million. In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

h) The Parent Company has challenged the levy of license fees of ₹ 2.87 million by State of Uttar Pradesh, for grant of PD-2 license for manufacture of Ethyl Alcohol for industrial use, before the Hon'ble Allahabad High Court. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

4. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of

NOTES TO THE CONSOLIDATED ACCOUNTS

denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Parent Company is entitled to a refund of ₹ 84.06 million as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount.

5. In order to bring uniformity in accounting policy, beginning 1st April, 2009, the depreciation method, in respect of certain assets has been changed from written down value method to straight line method with retrospective effect as per Accounting Standard 6 (AS-6) and consequent effect is cumulative lower depreciation charge by ₹ 674.78 million. Due to the effect of such change in the policy, the depreciation charge for the current year is also lower by ₹ 738.99 million for the year and the profit after tax is higher by similar amount.

6. The deferred tax liability is net of amount recoverable from the Employees Welfare Trust towards the tax chargeable on the income of trust on which the tax is payable by the Parent Company.

7. Amount of Proposed Dividend includes dividend distribution tax of ₹ 52.74 million. This dividend distribution tax has been calculated considering the reduction in surcharge rate from existing 10% to 7.5% by the Finance Bill 2010.

8. Maximum balance outstanding, during the year, recoverable from following Companies in which Directors are interested, Jubilant Enpro Pvt. Ltd. - ₹ 1.89 million, Jubilant Oil & Gas Pvt. Ltd. - ₹ 2.62 million and B & M Hot Breads Pvt. Ltd. - ₹ 0.07 million. However, there are no outstanding against these companies as at 31st March, 2010.

9. The Parent Company allotted 11,237,517 Nos. of Equity Share of ₹ 1 each at a premium of ₹ 343.50 to Qualified Institutional Buyers (QIB) on 31st March, 2010. The entire proceeds of the issue amounting to ₹ 3,871.33 million were lying in Escrow Accounts at 31st March, 2010.

10. Foreign Currency Convertible Bonds (FCCB)

(A) 1.5 % FCCB - USD 35 million (FCCB 2009)

The Parent Company issued 1.5% Foreign Currency Convertible Bonds due 2009 (FCCB 2009) aggregating USD 35 million, in the year 2004-05. The Bonds were convertible at any time between 14th June, 2004 and 15th April, 2009 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share at an initial conversion price of ₹ 163.646 per share with a fixed rate of exchange on conversion of ₹ 44.805 = USD1. The Bonds could also be redeemed, in whole but not in part, at the option of the Company at any time on or after 14th May, 2007, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds were to be redeemed on 15th May, 2009 at 113.70% of their principal amount. The FCCBs were listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2009, USD 34.70 million were converted upto 31st March, 2009 into equity shares and this represents 9,500,521 shares of ₹ 1 each as on 31st March, 2009. The balance bonds of USD 0.30 million outstanding as of 31st March, 2009 were redeemed during the year. The proceeds were utilised for funding new projects & expansion of existing units - ₹ 795.4 million (USD 17.1 million), investment in/acquisition of overseas subsidiary companies - ₹ 722.0 million (USD16.8 million) and issue expenses - ₹ 50.7 million (USD 1.1 million).

(B) FCCB - USD 75 million (FCCB 2010)

The Parent Company issued Zero Coupon Foreign Currency Convertible Bonds due 2010 (FCCB 2010) for an aggregate value of USD 75 million, convertible at any time between 3rd July, 2005 to 14th May, 2010 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share of ₹ 1 each at an initial conversion price of ₹ 273.0648 per share with a fixed rate of exchange of ₹ 43.35 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 23rd May, 2008, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 24th May, 2010 at 138.383% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2010, USD 22.343 million were converted upto 31st March, 2009 into equity shares and this represents 3,547,022 shares of ₹1 each as on 31st March, 2009 and USD 3 million Bonds were bought back at a discount and were cancelled upto 31st March, 2009. The balance bonds of USD 49.657 million outstanding as of 31st March, 2010 are included under 'Unsecured Loans'.

The outstanding balance of FCCB 2010 - USD 49.657 million, on conversion would result in allotment of 7,883,231 equity shares of ₹ 1 each.

The proceeds of FCCB 2010 have been used for funding new projects & expansion of existing units - ₹ 1,384.1 million (USD 32.2 million), investment in/acquisition of overseas subsidiary companies - ₹ 1,827.9 million (USD 41.0 million), issue expenses - ₹ 78.0 million (USD 1.8 million).

(C) FCCB - USD 200 million (FCCB 2011)

The Parent Company issued Zero Coupon Foreign Currency Convertible Bonds due 2011 (FCCB 2011) for an aggregate value of USD 200 million, convertible at any time between 30th June, 2006 to 10th May, 2011 by holders into fully paid equity shares of ₹ 1 each of the Company or Global Depositary Shares (GDSs) each representing one equity share at an initial conversion price of ₹ 413.4498 per share with a fixed rate of exchange of ₹ 45.05 = USD 1. The conversion price is subject to adjustment in certain circumstances. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time on or after 19th May, 2009, subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 20th May, 2011 at 142.429% of their principal amount. The FCCBs are listed on Singapore Stock Exchange. The GDSs arising out of conversion of FCCBs are listed on Luxembourg Stock Exchange. Out of these FCCB 2011, USD 57.90 million Bonds were bought back at a discount and cancelled upto 31st March, 2009. The balance bonds of USD 142.10 million outstanding as of 31st March, 2010 are included under 'Unsecured Loans'.

The outstanding balance of FCCB 2011 - USD 142.10 million, on conversion would result in allotment of 15,483,391 equity shares of ₹ 1 each.

The proceeds of FCCB 2011 have been used for funding new projects - ₹ 13.5 million (USD 0.30 million), investment in/acquisitions of overseas subsidiary companies - ₹ 8,873.0 million (USD 196.96 million) and issue expenses - ₹ 123.4 million (USD 2.74 million). There has been no conversion during the year in respect of the above FCCBs.

11. Employee Stock Option Scheme

In terms of approval of shareholders accorded at the AGM held on 29th August, 2005 and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Parent Company instituted Jubilant Employees Stock Option Plan, 2005 ("Plan") for specified categories of employees and directors of the Company and its Subsidiaries. Under the Plan as amended, upto 1,100,000 Stock Options can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ Subsidiaries. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. The Options granted upto 28th August, 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. The Options granted after 28th August, 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Summary of Vesting & Lock in provisions is given below:

Vesting Schedule (With Lock in) Applicable for Grants made upto 28th August, 2009				Vesting Schedule (Without Lock in) Applicable for Grants made after 28th August, 2009		
S.No	% of Options scheduled to vest	Vesting Date	Lock-in Period	% of Options scheduled to vest	Vesting Date	Lock-in Period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil
4.	25	2 years from grant date	2 year from vesting date	25	4 years from grant date	Nil
5.	30	2 years from grant date	3 year from vesting date	30	5 years from grant date	Nil

The Company has constituted a Compensation Committee comprising of a majority of independent directors. This Committee is empowered to administer the Scheme.

In 2008-09, Jubilant Employees Welfare Trust was constituted for the purpose of acquisition of equity shares of the Company from the Secondary market or subscription of shares from the Company, to hold the shares and to allocate/ transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the Plan. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the trust as at 31st March, 2010 is ₹ 423.21 million (Previous year ₹ 567.85 million). Till date, the Trust has purchased

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5,371,747 equity shares of the Company from the open market, out of interest free loan provided by the Company, out of which 736,405 shares were transferred to the employees on exercise of ESOPS during the year.

During the year, the following options were granted to eligible directors/ employees:

Date of grant	*Number of options granted*	*Exercise Price per Share (₹)*	*Market Price (₹) (As per SEBI Guidelines)**
22nd October, 2009	41,523	221.60	221.60

* Based on closing price on 21st October, 2009 at NSE

The movement in the stock options during the year ended 31st March, 2010 is set out below:

	Number
Options outstanding at the beginning of the year	518,473
Granted during the year	41,523
Expired/forfeited during the year	(47,384)
Exercised during the year	(147,281)
Options outstanding at the end of the year	365,331

12. The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancelable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses.

13. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 102.82 million (Previous Year ₹ 241.06 million) and preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amounting to ₹ 247.15 million(Previous Year ₹ 177.15 million) have been capitalised/pending capitalisation up to the date of commercial production/stabilisation of the project. The said expenditure (net of trial run receipts), so capitalised are accumulated as Capital work in progress and have been allocated to respective Fixed Assets to the extent fixed assets were put to use and balance is appearing in Capital work in progress.

14. The carrying value of internally generated Intangible Asset - Product Development including under progress is reviewed for impairment annually. Accordingly a sum of ₹ 62.63 million (Previous year ₹ 108.79 million) has been written off during the year.

15. (A) Deferred Tax Assets and Liabilities are attributable to the following items: (₹ in million)

As at 31st March,	*2010*	*2009*
Deferred Tax Assets		
Provision for Leave Encashment and Gratuity	122.67	113.63
Amount disallowed u/s 43 B	13.02	15.71
Accumulated Losses as per Tax Laws	683.22	992.74
Others	68.26	44.08
	887.17	**1,166.16**
Deferred Tax Liabilities		
Accelerated Depreciation/Amortisation	2,410.78	1,949.39
Difference in value of CWIP/Intangibles	397.87	339.16
Others	2.68	28.24
	2,811.33	**2,316.79**
Deferred Tax Liabilities (Net)	**1,924.16**	**1,150.63**

(B) The profit attributable to the operations under the (EOU) Export Oriented Units Scheme are deductible from taxable income for the year ended 31st March, 2010 and accordingly income from EOU setup at Nanjangud, Mysore, and at Bhartiagram, Jyotiba Phoolay Nagar (Gajraula), Uttar Pradesh have been considered as tax deductible, and provision for tax is made accordingly.

16. The bottling unit of the Parent Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another Company and is charging bottling fee.

The Accounts recognise Revenue and Expenditure; only to the extent the Company enjoys beneficial interest.

In Compliance with the requirements of Schedule VI to the Companies Act, 1956, the following information is given hereunder in respect of the transactions where the Company does not enjoy beneficial interest.

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Sales	286.37	24.42
Excise Duty	(123.31)	(8.92)
Other Income	0.92	1.14
Increase/(Decrease) in Finished & Process Stocks	21.93	0.79
Raw & Process Materials Consumed	(53.82)	(7.97)
Stores, Spares, Chemicals, Catalyst & Packing Materials Consumed	(71.63)	(3.59)
Other Expenses	(36.05)	(4.15)

17. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions: (₹ in million)

		Class of Provisions		
Sr. No.	*Particulars of disclosure*	*Excise Duty*	*Product Warranties*	*Premium on redemption of FCCBs*
1.	Balance as at 1st April, 2009	36.21 (34.63)	0.13 (1.03)	2,342.30 (1,633.37)
2.	Additional provision during 2009-2010	62.17 (36.21)	0.11 (0.13)	495.05 (1,129.20)
3.	Provision used during 2009-2010	36.21 (34.63)	– (–)	2.02 (–)
4.	Provision reversed during 2009-2010	– (–)	0.13 (1.03)	– (420.27)
5.	Balance as at 31st March, 2010	62.17 (36.21)	0.11 (0.13)	2,835.33 (2,342.30)

Provision for excise duty represents the excise duty on closing stock of finished goods.

18. (A) The Group has opted for accounting the exchange difference arising on reporting of long term Foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 31st March, 2009. Accordingly during 2008-09 the Group had capitalised exchange difference amounting to ₹ 1,130.81 million to the cost of fixed assets and ₹ 2,750.99 million to foreign currency monetary item translation difference account (FCMITDA) including reversal of exchange gain amounting to ₹ 1,030.57 million credited to Profit & Loss account in the 2007-08. During the year ₹ 2,468.06 millions were reversed from the FCMITDA on account of exchange difference and ₹ 162.12 million were amortised. The balance ₹ 120.81 million in FCMITDA will be amortised on or before March, 2011.

(B) The Group uses derivative financial instruments such as forward contracts and currency swaps to selectively hedge its currency exposures, firm commitments and highly probable forecast transactions, denominated in USD and EURO. Usually, the forward contracts mature within two years. The Company also enters into interest rate swaps to selectively hedge its interest rate exposures. The Company actively manages its currency/interest rate exposures through a centralised treasury setup and uses derivatives to mitigate the risk from such exposures.

No derivative transactions are entered into for any speculative purpose.

NOTES TO THE CONSOLIDATED ACCOUNTS

The information on derivative instruments is as follows:

i) Derivative instruments outstanding:

	Buy/Sell	Amount (foreign currency in millions)	
As at 31st March,		*2010*	*2009*
Foreign Exchange Contracts			
– USD/INR	Sold	USD 32.12	USD 311.25
– USD/INR	Bought	USD 19.79	USD 10.59
– EURO/USD	Sold	EURO –	EURO 0.69
Currency Swaps			
– Loans of JPY 2,537.50 million (PY JPY 3,920.20 million) swapped into USD		USD 25.00	USD 37.00
Interest Rate Swaps			
– Loans swapped from floating six month USD LIBOR to fixed USD interest rate		USD 116.52	USD 132.50

ii) Foreign currency exposure not hedged by derivative instrument:

	Amount (foreign currency in millions)	
As at 31st March,	*2010*	*2009*
Amount receivable on account of sale of goods & services.	USD 26.49	USD 6.11
	EURO 5.01	EURO 2.53
	GBP 0.04	GBP 0.04
Amount payable on account of purchase of goods & services, loans, FCCBs, etc.	USD 441.69	USD 459.71
	EURO 0.28	EURO 0.04
	JPY 0.09	JPY 2.10
Amount outstanding as deposits with Banks	USD 2.92	USD 25.80
	EURO 0.11	EURO –

iii) Forward contracts not applied for closing monetary assets and liabilities, and interest rate swap contracts, outstanding at the year end are marked to market and the resultant loss of ₹ 100.09 million (Previous year ₹ 1,013.05 million) has been charged to Profit and loss account. The loss on forward contracts cancelled during the year amounting to ₹ 99.58 million has also been charged to Profit & Loss Account.

19. Employee Benefits in respect of Parent Company including Indian Subsidiaries has been calculated as under:

(A) Defined Contribution Plans

a) Provident Fund

b) Superannuation Fund

During the year the Company has recognised the following amounts in the Profit and Loss account:

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Employers Contribution to Provident Fund	92.12	81.45
Employers Contribution to Superannuation Fund	17.37	18.88

(B) State Plans

a) Employee State Insurance

b) Employee's Pension Scheme, 1995

During the year the Company has recognised the following amounts in the Profit and Loss account:

(₹ in million)

For the year ended 31st March,	*2010*	*2009*
Employers Contribution to Employee State Insurance	1.85	1.91
Employers Contribution to Employee's Pension Scheme, 1995	26.02	26.19

(C) Defined Benefit Plans

a) Gratuity

b) Leave Encashment

The discount rate assumed is 8.30 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Present Value of obligation at the beginning of the year	237.65	241.91	124.20	103.52
Current service cost	31.26	33.47	35.20	27.52
Interest cost	19.72	18.44	10.29	7.88
Actuarial (gain)/loss	(13.41)	(38.31)	(3.74)	(0.36)
Benefits paid	(29.42)	(17.86)	(21.85)	(14.36)
Present value of obligation at the end of the year	245.80	237.65	144.10	124.20

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Present value of obligation at the end of the year	245.80	237.65	144.10	124.20
Fair value of plan assets at period end	–	–	–	–
Assets/(Liabilities) recognised in the Balance Sheet	(245.80)	(237.65)	(144.10)	(124.20)

Cost recognised for the period (included under Salaries, Wages, Allowances, Bonus and Gratuity)

(₹ in million)

	*Gratuity**		*Leave Encashment*	
	2010	*2009*	*2010*	*2009*
Current service cost	31.26	33.47	35.20	27.52
Interest cost	19.72	18.44	10.29	7.88
Actuarial (gain)/loss	(13.41)	(38.31)	(3.74)	(0.36)
Net cost recognised during the year	37.57	13.60	41.75	35.04

* Excluding for certain employees of Nanjangud Unit of Parent Company.

NOTES TO THE CONSOLIDATED ACCOUNTS

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**

(₹ in million)

	Gratuity	
	2010	*2009*
Present Value of obligation at the beginning of the year	17.00	20.44
Current service cost	3.55	3.42
Interest cost	1.41	1.55
Actuarial (gain)/loss	(1.98)	(7.43)
Benefits paid	(0.56)	(0.98)
Present value of obligation at the end of the year	19.42	17.00

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2010	*2009*
Present value of obligation at the end of the year	19.42	17.00
Fair value of plan assets at period end	8.15	5.32
Funded Status excess of Actual over estimated	0.20	(0.37)
Assets/(Liabilities) recognised in the Balance Sheet	(11.27)	(11.68)

Cost recognised for the period(included under Salaries, Wages, Allowances, Bonus and Gratuity):**

(₹ in million)

	Gratuity	
	2010	*2009*
Current service cost	3.55	3.42
Interest cost	1.41	1.55
Actuarial (gain)/loss	(2.17)	(7.06)
Expected Return on Plan Asset	(0.48)	(0.37)
Net cost recognised during the year	2.31	(2.46)

**In respect of certain employees of Nanjangud Unit of Parent Company.

20. Segment Reporting:

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", notified by the Central Government of India. The Company's Primary Business Segments are organised around customers on industry and product lines as under :

a. Pharmaceuticals and Life Sciences Products & Services : i) Custom Research & Manufacturing Services(CRAMS)-Proprietary Products and Exclusive Synthesis, Active Pharmaceuticals Ingredients(APIs), CMO of Sterile Injectibles and Non-Sterile, Drug Discovery and Development Services(DDDS) ii) Pharmaceutical Products-Specialty Pharmaceuticals, Radio Pharmaceuticals, Allergenic extracts, Generics iii) Life Sciences Chemicals-Acetyls iv) Nutrition Ingredients-Nutrition ingredients for Pharma, Human and Animal applications v) Healthcare- Hospitals Units.

b. Agri & Performance Polymers : i) Agri Products-SSP, Agro Chemicals ii) Performance Polymers-Consumer Products, Application Polymers, Food Polymers, Latex and other products.

ii) In respect of Secondary Segment information, the Company has identified its Geographical segments as:

(i) Within India (ii) Outside India.

iii) Inter Segment Transfer Pricing

Inter Segment Transfer prices are based on market prices.

iv) The Financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	*Pharmaceuticals and Life Sciences Products & Services*		*Agri & Performance Polymers*		*Total*	
		2010	*2009*	*2010*	*2009*	*2010*	*2009*
1)	**Revenue**	34,316.53	30,663.12	4,376.13	5,782.15	38,692.66	36,445.27
	Less: Inter Segment Revenue	45.41	39.83			45.41	39.83
	Less: Excise Duty on Sales	653.52	908.57	181.01	317.03	834.53	1,225.60
	Net sales	**33,617.60**	**29,714.72**	**4,195.12**	**5,465.12**	**37,812.72**	**35,179.84**
2)	**Segment results**	7,513.04	4,918.56	189.89	396.82	7,702.93	5,315.38
	Less : Interest (Net)					1,505.20	1,070.42
	Other un-allocable expenditure					1,018.76	1,279.20
	(net of un-allocable income)						
	Total Profit Before Tax	**7,513.04**	**4,918.56**	**189.89**	**396.82**	**5,178.97**	**2,965.76**
3)	**Capital Employed**						
	(Segment Assets - Segment Liabilities)						
	Segment Assets	53,687.61	53,271.42	3,122.88	2,904.54	56,810.49	56,175.96
	Add: Common Assets					11,313.86	8,693.84
	Total Assets	**53,687.61**	**53,271.42**	**3,122.88**	**2,904.54**	**68,124.35**	**64,869.80**
	Segment Liabilities	6,786.39	6,088.40	974.76	998.44	7,761.15	7,086.84
	Add: Common Liabilities					4,439.98	4,219.43
	Total Liabilities	**6,786.39**	**6,088.40**	**974.76**	**998.44**	**12,201.13**	**11,306.27**
	Segment Capital Employed	46,901.22	47,183.02	2,148.12	1,906.10	49,049.34	49,089.12
	Add: Common Capital Employed					6,873.88	4,474.41
	Total Capital Employed	**46,901.22**	**47,183.02**	**2,148.12**	**1,906.10**	**55,923.22**	**53,563.53**
4)	**Segment Capital Expenditure**	2,800.51	8,085.89	29.82	201.53	2,830.33	8,287.42
	Add: Common Capital Expenditure					19.65	53.82
	Total Capital Expenditure	**2,800.51**	**8,085.89**	**29.82**	**201.53**	**2,849.98**	**8,341.24**
5)	**Depreciation & Amortisation(Net)**	1,225.25	1,567.12	3.37	47.29	1,228.62	1,614.41
	Add: Common Depreciation					18.22	18.01
	Total Depreciation & Amortisation	**1,225.25**	**1,567.12**	**3.37**	**47.29**	**1,246.84**	**1,632.42**

NOTES TO THE CONSOLIDATED ACCOUNTS

v) Secondary Segments (Geographical Segments):

(₹ in million)

	Particulars	2010	2009
a)	**Sales revenue by Geographic Location of Customers (Net of Excise Duty)**		
	Within India	13,272.90	13,408.59
	Outside India	24,539.82	21,771.25
	Total	**37,812.72**	**35,179.84**
b)	**Carrying Amount of Segment Assets**		
	Within India	36,232.63	32,877.05
	Outside India	31,891.72	31,992.75
	Total	**68,124.35**	**64,869.80**
c)	**Capital Expenditure**		
	Within India	1,909.79	5,829.76
	Outside India	940.19	2,511.48
	Total	**2,849.98**	**8,341.24**
d)	**Sales revenue by Geographic Markets**		
	India	13,272.90	13,408.59
	Americas & Europe	18,293.60	15,943.46
	China	3,707.90	2,902.94
	Asia & Others	2,538.32	2,924.85
	Total	**37,812.72**	**35,179.84**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.
2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.
3) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
4) In line with the continued strategy to make the Company a focused Pharma and Life Sciences Company, the board has in principle approved business restructuring involving demerger of Agri and Performance Polymer business into a separate Company. Accordingly the reporting segments have been redefined as Pharmaceuticals and Life Sciences Products and Services (PLSPS) and Agri and Performance Polymers (APP) to reflect the results of these two businesses separately. The demerger will be carried out through a court scheme and is subject to necessary regulatory and other approvals/sanctions.

21. A. Related Party Disclosures

1. Related parties with whom transactions have taken place during the year.

a) Enterprise over which certain Key Management Personnel have significant influence:

Jubilant Enpro Pvt. Ltd., Jubilant Oil & Gas Pvt. Ltd., Jubilant Foodworks Ltd., Tower Promoters Pvt. Ltd., Focus Brands Trading (India) Pvt. Ltd., B &M Hot Breads Pvt. Ltd.

b) Key Management Personnel:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. S. N. Singh*, Mr. Shyamsundar Bang, Dr. J. M. Khanna, Mr. R. Sankaraiah, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Ananda Mukherjee, Mr. Sridhar Mosur, Mr. Marcelo Morales, Mr. Jean Pierre Robert, Dr. Satadal Saha, Mr. David E Williams*, Mr. Scott Delaney*.

*** For part of the year**

c) Relatives of Key Management Personnel:

Ms. Asha Khanna (wife of Dr. J. M. Khanna), Ms. Shobha Bang (wife of Mr. Shyamsundar Bang)

d) Others:

Vam Employees Provident Fund Trust, Jubilant Employees Welfare Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund, Amarchand & Mangaldas & Suresh A. Shroff & Co.

2. Transactions with related parties during the year: (₹ in million)

Particulars	*Enterprise over which certain Key Management Personnel have significant influence*	*Key Mgmt. Personnel & Relatives*	*Others*
Sale of Goods & Services	24.41 (1.72)		
Recovery of Expenses & Utilities	16.43 (27.15)		
Reimbursement of Expenses	– (3.59)		
Remuneration and Related Expenses		357.80 (295.55)	
Company's Contribution to PF Trust.			68.38 (60.47)
Company's Contribution to Superannuation Fund.			17.37 (18.88)
Rent paid	42.00 (42.00)	6.88 (6.43)	
Donation			11.40 (8.21)
Professional Services-Fees			4.99 (–)
Purchase of Shares of Forum 1 Aviation Ltd	30.00 (–)		
Payment for Business Acquisition	0.50 (–)		
Loan to Jubilant Employees Welfare Trust			– (567.85)
Loan Repaid by Jubilant Employees Welfare Trust			144.64 (–)
Housing Loan Given		– (25.00)	
Housing Loan Repayment		– (2.00)	
Outstanding Receivables (other than ICD's)	21.00 (21.00)	25.00 (25.00)	423.21 (567.85)
Outstanding Payables	8.83 (2.34)		

Note: (1) Figures in ( ) indicates in respect of previous year.
(2) Related party relationship is as identified by the Company and relied upon by the Auditors.
(3) No amount has been written off/provided for in respect of dues from or to any related party.

NOTES TO THE CONSOLIDATED ACCOUNTS

21. B. Promoter Group

Group companies

The Company is controlled by Mr. Shyam S Bhartia/Mr. Hari S Bhartia group ("the promoter group"), being a group as defined in the Monopolies and Restrictive Trade Practices Act, 1969.

The persons constituting the promoter group include individuals and corporate bodies who/which jointly exercise, and are in a position to exercise, control over the Company. The names of these individuals and bodies corporate are Mr. Shyam S Bhartia, Mr. Hari S Bhartia, Mrs. Shobhana Bhartia, Mrs. Kavita Bhartia, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia, Ms. Aashti Bhartia, Master Arjun S Bhartia, Mrs. Namrata Bhartia, Master Agastya Bhartia, Best Luck Vanijya Private Ltd., Enpro Exports Private Ltd., Jaytee Private Ltd., Jubilant Enpro Private Ltd., Jubilant Securities Private Ltd., Jubilant Capital Private Ltd., Rance Investment Holdings Ltd., Cumin Investments Ltd., Torino Overseas Ltd., Vam Holdings Ltd., Nikita Resources Private Ltd., Jubilant Oil & Gas Pvt. Ltd., Enpro Oil Pvt. Ltd, Tower Promoters Pvt. Ltd, U C Gas & Engineering Ltd., Asia Infrastructure Development Co Pvt. Ltd, Western Drilling Contractors Pvt. Ltd, Jubilant Realty Pvt. Ltd, Jubilant Properties Pvt. Ltd., Indian Country Homes Pvt. Ltd., Jubilant E & P Ventures Pvt. Ltd., Jubilant Retail Pvt. Ltd., Jubilant Retail Holding Pvt. Ltd., Jubilant Motors Pvt. Ltd., Jubilant Retail Consolidated Pvt. Ltd., B &M Hot Breads Pvt. Ltd.

22. Information on Joint Venture-Vanthys Pharmaceutical Development Pvt. Limited (Accounting Standards 27)

(₹ in million)

S. No.	Particulars	2010
A	**Country of incorporation - India**	
B	**Share in ownership and Voting power - 50%**	
C	**Contingent Liabilities in respect of Joint Venture**	
	Directly incurred by the Company	Nil
	Share of the company in Contingent Liabilities which have been incurred jointly with other venture companies	Nil
	Share of the company in Contingent Liabilities incurred by jointly controlled entity	Nil
	Share of other joint venture companies in Contingent Liabilities incurred by jointly controlled entity	Nil
D	**Capital Commitments in respect of Joint Venture**	
	Direct Capital Commitments by the Company	Nil
	Share of the company in Capital Commitments which have been incurred jointly with other venture companies	Nil
	Share of the company in Capital Commitments incurred by jointly controlled entity	Nil
E	**Share in Joint Venture Assets, Income and Expenses included in the consolidated accounts under respective Heads**	
	Fixed Assets	
	Gross Block	2.93
	Accumulated Depreciation	0.59
	Net Block	**2.34**
	Current Assets, Loans and Advances	
	Sundry Debtors	60.36
	Cash and Bank Balances	8.89
	Loans and Advances	5.11
		74.36
	Less : Current Liabilities and Provisions	
	Current Liabilities	33.15
	Provisions	0.40
		33.55
	Net Current Assets	**40.81**
	Total Assets	**43.15**
	Income	
	Sale of Services/Other Income	73.27
	Expenditure	
	Manufacturing & Other Expenses	122.50
	Depreciation	0.72
		123.22
	Profit/(Loss) Before Tax	**(49.95)**
	Profit/(Loss) After Tax	**(49.95)**

NOTES TO THE CONSOLIDATED ACCOUNTS

23. Earnings Per Share (EPS)

For the year ended 31st March,				2010	2009
I.	(A)	Profit Computation for Basic Earnings Per Share of ₹ 1 each			
		Net Profit as per Profit and Loss Account available for Equity Shareholders	₹ in million	4,214.61	2,831.76
		Adjustments for the purpose of Diluted EPS :-			
		Interest on Foreign Currency Convertible Bonds	₹ in million	–	0.25
		Less: Tax on above	₹ in million	–	(0.01)
	(B)	Profit for Diluted Earnings Per Share of ₹ 1 each	₹ in million	4,214.61	2,832.00
II.	Weighted average number of equity shares for Earnings Per Share computation				
	A)	For Basic Earnings Per Share	Nos	147,573,046	147,313,162
	B)	For Diluted Earnings Per Share:			
		No. of shares for Basic EPS as Per II A	Nos	147,573,046	147,313,162
		Add: Weighted Average outstanding Option/Shares related to FCCB & Employee stock options.	Nos	23,366,622	23,662,100
		No. of shares for Diluted Earnings Per Share	Nos	170,939,668	170,975,262
III.	Earnings Per Share (Weighted Average)				
	Basic		₹	28.56	19.22
	Diluted		₹	24.66	16.56

Note : The Diluted EPS does not include the effect of vested employee stock options as number of shares held by Jubilant Employees Welfare Trust is in excess of employee stock option granted and outstanding. (Refer Note 11 of Schedule 'O')

24. Figures pertaining to the Subsidiary Companies, have been reclassified wherever considered necessary to bring them in line with the Company's Financial Statements.

25. Previous Year's figures have been regrouped/rearranged wherever considered necessary to conform to this year's classification.

Signatures to Schedule "A" to "O" forming part of the Consolidated Balance Sheet and Consolidated Profit and Loss Account.

In terms of our report of even date attached.

For **K. N. Gutgutia & Co.**
Chartered Accountants

B. R. Goyal
Partner
Membership No. 12172

Place : Noida
Date : 10th May, 2010

For and on behalf of the Board

Shyam S. Bhartia
Chairman & Managing Director

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director

DETAILS OF SUBSIDIARY COMPANIES (2009–10)

	Clinsys Clinical Research Ltd.	Jubilant Chemsys Ltd.	Jubilant Biosys Ltd.	Jubilant Infrastructure Ltd.	Jubilant First Trust Healthcare Ltd.	Asia Healthcare Development Ltd.	Speciality Molecules Ltd.	Jubilant Organosys (USA), Inc.	
	₹/million	₹/million	₹/million	₹/million	₹/million	₹/million	₹/million	USD	₹/million
(a) Capital	290.50	350.00	4.43	292.44	91.39	17.67	5.80	375,000	17.11
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(82.61)	243.14	(599.51)	80.99	248.77	(5.18)	204.89	908,194	40.50
(c) Total Assets (Fixed Assets+ Current Assets)	263.05	616.44	883.94	391.71	551.48	16.28	322.30	9,953,263	446.90
(d) Total Liabilities (Debts + Current Liabilities)	55.16	98.33	1,521.86	18.70	528.80	3.79	111.61	8,670,069	389.29
(e) Details of Investments (except in case of Investment in subsidiaries)	–	75.03	–	–	299.85	–	–	–	–
(f) Turnover (Including Other Income)	178.52	659.05	885.39	4.96	65.58	23.38	315.37	23,401,007	1,110.38
(g) Profit/(Loss) before Taxation	(14.11)	115.81	9.80	(1.15)	(59.35)	1.25	23.12	(181,936)	(8.63)
(h) Provision for Taxation	(0.01)	(3.28)	–	–	(1.63)	(0.31)	7.90	(72,724)	(3.45)
(i) Profit/(Loss) after Taxation	(14.10)	119.09	9.80	(1.15)	(57.72)	1.56	15.22	(109,212)	(5.18)
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Jubilant Organosys (Shanghai) Ltd.		Jubilant Pharma N.V.		Jubilant Pharmaceuticals N.V.		PSI Supply N.V.		Clinsys Holdings, Inc.	
	RMB	₹/million	EURO	₹/million	EURO	₹/million	EURO	₹/million	USD	₹/million
(a) Capital	1,652,837	8.80	16,180,000	894.14	1,050,300	63.95	665,000	43.37	146,400,000	6,297.14
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(2,353,552)	(13.41)	1,826,571	194.35	(790,965)	(48.27)	(642,126)	(41.99)	(746,498)	242.70
(c) Total Assets (Fixed Assets+ Current Assets)	92,007,641	605.21	47,171	2.85	2,294,791	138.72	965,047	58.33	23,364,581	1,049.07
(d) Total Liabilities (Debts + Current Liabilities)	92,708,356	609.82	2,000	0.12	2,035,456	123.04	942,173	56.95	35,875	1.61
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	–	–	–	–
(f) Turnover (Including Other Income)	342,725,483	2,381.01	291	0.02	2,617,758	175.65	2,213,119	148.50	–	–
(g) Profit/(Loss) before Taxation	14,618,735	101.56	(5,555)	(0.37)	(419,110)	(28.13)	(370,974)	(24.89)	(381,476)	(18.10)
(h) Provision for Taxation	(682,153)	(4.74)	–	–	(63,806)	(4.28)	3,867	0.26	(266,003)	(12.62)
(i) Profit/(Loss) after Taxation	15,300,888	106.30	(5,555)	(0.37)	(355,304)	(23.85)	(374,841)	(25.15)	(115,473)	(5.48)
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Clinsys Clinical Research, Inc.		HSL Holdings Inc.		Hollister–Stier Laboratories LLC.		Jubilant Pharma Pte. Ltd.		Cadista Holdings Inc.	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	102	0.01	76,800,000	3,179.33	21,521,278	876.78	273,988,994	12,683.33	117,797	5.40
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(14,994,103)	(673.24)	5,600,245	520.44	54,210,259	2,523.57	13,723,789	234.98	33,564,780	1,506.95
(c) Total Assets (Fixed Assets+ Current Assets)	15,017,990	674.31	3,324,618	149.27	157,609,780	7,076.68	14,347,956	644.23	33,748,662	1,515.32
(d) Total Liabilities (Debts + Current Liabilities)	30,011,991	1,347.54	64,449,738	2,893.79	81,878,243	3,676.33	147,618	6.63	66,087	2.97
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	9,565,589	429.50	–	–
(f) Turnover (Including Other Income)	21,812,811	1,035.02	3,000,000	142.35	111,651,438	5,297.86	328,196	15.57	–	–
(g) Profit/(Loss) before Taxation	(5,688,899)	(269.94)	1,197,377	56.82	21,190,925	1,005.51	(3,378,201)	(160.30)	(9,118)	(0.43)
(h) Provision for Taxation	(1,685,143)	(79.96)	(616,528)	(29.25)	6,641,062	315.12	(497,133)	(23.59)	–	–
(i) Profit/(Loss) after Taxation	(4,003,756)	(189.98)	1,813,905	86.07	14,549,863	690.39	(2,881,068)	(136.71)	(9,118)	(0.43)
(j) Dividend	Nil	Nil	Nil	Nil	3,000,000	142.35	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Cadista Pharmaceuticals Inc.		Jubilant Biosys (BVI) Ltd.		Jubilant Biosys (Singapore) Pte Ltd.		Jubilant Discovery Services Inc.		Jubilant Drug Development Pte. Ltd.	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	1	0.00	1,337,001	66.78	1,325,001	66.20	890,000	42.85	2,500,001	124.91
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(8,360,453)	(375.39)	(7,505)	(7.09)	(17,658)	(7.50)	(869,642)	(41.93)	(17,515)	(13.45)
(c) Total Assets (Fixed Assets+ Current Assets)	39,860,614	1,789.74	6,220	0.28	8,411	0.38	70,776	3.18	11,515	0.51
(d) Total Liabilities (Debts + Current Liabilities)	48,221,066	2,165.13	1,725	0.08	7,620	0.34	50,418	2.26	7,445	0.33
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	–	–	–	–
(f) Turnover (Including Other Income)	29,176,189	1,384.41	–	–	–	–	20,693	0.98	–	–
(g) Profit/(Loss) before Taxation	1,173,004	55.66	(3,755)	(0.18)	(7,990)	(0.38)	(241,605)	(11.47)	(7,847)	(0.37)
(h) Provision for Taxation	–	–	–	–	–	–	–	–	–	–
(i) Profit/(Loss) after Taxation	1,173,004	55.66	(3,755)	(0.18)	(7,990)	(0.38)	(241,605)	(11.47)	(7,847)	(0.37)
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Jubilant Organosys (BVI) Ltd.		Jubilant Organosys International Pte. Ltd.		Jubilant Innovation (BVI) Ltd.		Jubilant Innovation Pte. Ltd.		Colvant Sciences, Inc.	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	3,850,001	192.61	400,003	18.14	7,625,000	368.09	2,037,001	95.64	1	0.00
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(7,454)	(20.08)	(286,467)	(13.04)	(10,233)	(26.17)	(26,639)	(5.38)	–	–
(c) Total Assets (Fixed Assets+ Current Assets)	7,170	0.32	123,371	5.54	7,005,485	314.55	21,511	0.97	1	0.00
(d) Total Liabilities (Debts + Current Liabilities)	1,625	0.07	9,835	0.44	1,473,619	66.17	11,149	0.50	–	–
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	2,000,000	89.79	–	–
(f) Turnover (Including Other Income)	–	–	3,333	0.16	–	–	–	–	–	–
(g) Profit/(Loss) before Taxation	(3,705)	(0.18)	(119,134)	(5.65)	(6,532)	(0.31)	(15,253)	(0.72)	–	–
(h) Provision for Taxation	–	–	–	–	–	–	–	–	–	–
(i) Profit/(Loss) after Taxation	(3,705)	(0.18)	(119,134)	(5.65)	(6,532)	(0.31)	(15,253)	(0.72)	–	–
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Cadista Pharmaceuticals (UK) Ltd.		Draximage Ltd., Cyprus		Draximage Ltd., Ireland		Draximage LLC		DSPI Inc., USA		Deprenyl Inc., USA	
	GBP	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	5,000	0.43	2,950	0.13	700,004	33.48	65,000	3.05	9	0.00	15	0.00
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(2,181)	(0.24)	3,035,386	136.30	(177,599)	(10.02)	(46,612)	(2.22)	(416,239)	(18.69)	1,933,385	86.81
(c) Total Assets (Fixed Assets+ Current Assets)	2,819	0.19	8,618	0.39	522,405	23.46	18,388	0.83	227,944	10.23	2,213,580	99.39
(d) Total Liabilities (Debts + Current Liabilities)	–	–	18,111	0.81	–	–	–	–	644,174	28.92	280,180	12.58
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	–	–	–	–	–	–
(f) Turnover (Including Other Income)	–	–	15,658	0.74	173,197	8.22	–	–	443,030	21.02	571,911	27.14
(g) Profit/(Loss) before Taxation	(152)	(0.01)	(12,457)	(0.59)	(175,710)	(8.34)	(14)	(0.00)	(1,255,830)	(59.59)	564,301	26.78
(h) Provision for Taxation	–	–	–	–	–	–	–	–	–	–	191,862	9.10
(i) Profit/(Loss) after Taxation	(152)	(0.01)	(12,457)	(0.59)	(175,710)	(8.34)	(14)	(0.00)	(1,255,830)	(59.59)	372,439	17.68
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Draxis Specialty Pharmaceuticals Inc.		6963196 Canada Inc.		6981364 Canada Inc.		DAHI LLC		DAHI Animal Health (UK) Ltd.		Draximage (UK) Ltd.	
	CAD	₹/million	CAD	₹/million	CAD	₹/million	USD	₹/million	GBP	₹/million	GBP	₹/million
(a) Capital	121,963,315	5,315.42	2,500	0.11	2,500	0.11	10,000	0.43	1	0.00	1	0.00
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	3,612,719	194.97	(252)	(0.02)	(152)	(0.00)	(186,720)	(8.36)	(2,207)	(0.15)	–	–
(c) Total Assets (Fixed Assets+ Current Assets)	217,905,454	9,627.06	78	0.00	27	0.00	9,679	0.44	–	–	1	0.00
(d) Total Liabilities (Debts+ Current Liabilities)	171,191,842	7,563.26	1,250	0.05	162	0.01	186,399	8.37	2,206	0.15	–	–
(e) Details of Investments (except in case of Investment in subsidiaries)	78,842,111	3,445.69	3,420	0.14	2,483	0.12	–	–	–	–	–	–
(f) Turnover (Including Other Income)	31,627,842	1,376.75	84	0.00	(9)	(0.00)	–	–	–	–	–	–
(g) Profit/(Loss) before Taxation	16,523,316	719.25	(1,043)	(0.05)	(99)	(0.00)	–	–	–	–	–	–
(h) Provision for Taxation	(3,879,982)	(168.90)	–	–	–	–	–	–	–	–	–	–
(i) Profit/(Loss) after Taxation	20,403,298	888.15	(1,043)	(0.05)	(99)	(0.00)	–	–	–	–	–	–
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2009–10) (Contd.)

	Jubilant Innovation (USA) Inc.		Jubilant Innovation (India) Ltd.	Hitech Shiksha Limited	Draximage India Limited	Draxis Pharma L.L.C.		Draxis Pharma Inc.	
	USD	₹/million	₹/million	₹/million	₹/million	USD	₹/million	USD	₹/million
(a) Capital	35,000	1.62	0.50	0.50	0.56	100	0.01	600	0.03
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	180,530	8.06	1.66	(0.12)	(0.09)	–	–	(41)	(0.00)
(c) Total Assets (Fixed Assets+ Current Assets)	637,153	28.61	3.58	0.40	0.47	100	0.01	559	0.03
(d) Total Liabilities (Debts + Current Liabilities)	421,623	18.93	1.42	0.02	0.00	–	–	100	0.01
(e) Details of Investments (except in case of Investment in subsidiaries)	–	–	–	–	–	–	–	–	–
(f) Turnover (Including Other Income)	2,100,328	99.66	27.25	0.10	–	–	–	–	–
(g) Profit/(Loss) before Taxation	273,956	13.00	2.80	(0.12)	(0.09)	–	–	(41)	(0.00)
(h) Provision for Taxation	93,426	4.43	0.95	–	–	–	–	–	–
(i) Profit/(Loss) after Taxation	180,530	8.57	1.85	(0.12)	(0.09)	–	–	(41)	(0.00)
(j) Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes: 1. The Minstry of Company Affairs vide its letter dated 22nd April, 2010 has granted approval under section 212 (8) of the Companies Act, 1956 (the Act) for the financial year ended 31st March 2010, whereby the Balance Sheet, Profit & Loss Account, Directors Report and Auditors' Report of the subsidiaries and other documents required to be attached as per the section 212 (1) of the Act are not required to be attached to the Companies Accounts. Hence, the same are not being attached. However the annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the holding and subsidiary companies seeking such information at any point of time.

2. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor in its Head office and that of the subsidiaries concerned.

NOTES

NOTES

Corporate Information

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Export Import Bank of India
Punjab National Bank
Corporation Bank
Canara Bank
Standard Chartered Bank
ING Vysya Bank Ltd.
Central Bank of India

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